

SERFF Tracking Number:	HRMN-125286963	State:	Arkansas
First Filing Company:	Horace Mann Insurance Company, ...	State Tracking Number:	AR-PC-07-026068
Company Tracking Number:	AR MOHO REMOVAL		
TOI:	04.0 Homeowners	Sub-TOI:	04.0003 Owner Occupied Homeowners
Product Name:	AR Mobile Homeowner Removal Filing		
Project Name/Number:	Homeowners/AR MoHo Removal		

Filing at a Glance

Companies: Horace Mann Insurance Company, Teachers Insurance Company

Product Name: AR Mobile Homeowner SERFF Tr Num: HRMN-125286963 State: Arkansas

Removal Filing

TOI: 04.0 Homeowners SERFF Status: Closed State Tr Num: AR-PC-07-026068

Sub-TOI: 04.0003 Owner Occupied Co Tr Num: AR MOHO REMOVAL State Status:

Homeowners

Filing Type: Rule Co Status: Reviewer(s): Becky Harrington,
Betty Montesi, Brittany Yielding

Author: Mindy Ballard

Date Submitted: 09/12/2007

Disposition Date: 09/14/2007

Disposition Status: Filed

Effective Date Requested (New): 10/01/2007

Effective Date (New): 10/01/2007

Effective Date Requested (Renewal): 10/01/2007

Effective Date (Renewal):
10/01/2007

General Information

Project Name: Homeowners

Status of Filing in Domicile: Not Filed

Project Number: AR MoHo Removal

Domicile Status Comments: N/A

Reference Organization: N/A

Reference Number: N/A

Reference Title: N/A

Advisory Org. Circular: N/A

Filing Status Changed: 09/14/2007

State Status Changed: 09/13/2007

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

September 12, 2007

Arkansas Insurance Department

Property & Casualty Division

1200 West 3rd Street

Little Rock, AR 72201-1904

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Attention: Julie Benafield Bowman
Commissioner of Insurance

Subject: Horace Mann Insurance Company NAIC # 300-22578
Teachers Insurance Company NAIC # 300-22683
Homeowner Program
Rule Filing

Dear Commissioner Benafield Bowman,

Horace Mann Insurance Company and Teachers Insurance Company submit for your review the above noted homeowner rule filing.

In October 2006, we began to move all mobile homeowner policies in the state of Arkansas to Foremost Insurance Group. A year has now passed, and all policies have been moved. With this filing, we are removing all references to mobile homeowners from our homeowner rules, homeowner rates, and dwelling fire manual pages in the interest of clarity.

The effective date of this filing is October 1, 2007.

Thank you for your attention to this matter. If I can be of further assistance or if you have any questions, please call me toll free at 877-272-0040, options 9 and 3. If you prefer e-mail, my address is melinda.ballard@horacemann.com.

Sincerely,

Melinda Ballard
Implementation Analyst
Property & Casualty Division
Horace Mann Insurance Company
Teachers Insurance Company

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Company and Contact

Filing Contact Information

Melinda Ballard, Actuarial Analyst I ballarm1@mail.horacemann.com
 1 Horace Mann Plaza (217) 789-2500 [Phone]
 Springfield, IL 62715 (217) 535-7171[FAX]

Filing Company Information

Horace Mann Insurance Company CoCode: 22578 State of Domicile: Illinois
 1 Horace Mann Plaza Group Code: 300 Company Type: Insurance
 Company
 Springfield, IL 62715 Group Name: State ID Number:
 (217) 789-2500 ext. [Phone] FEIN Number: 59-1027412

Teachers Insurance Company CoCode: 22683 State of Domicile: Illinois
 1 Horace Mann Plaza Group Code: 300 Company Type: Insurance
 Company
 Springfield, IL 62715 Group Name: State ID Number:
 (217) 789-2500 ext. [Phone] FEIN Number: 23-1742051

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: Filing fees are \$100.00
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Horace Mann Insurance Company	\$0.00	09/12/2007	
Teachers Insurance Company	\$0.00	09/12/2007	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
7700185802	\$100.00	09/12/2007

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	09/14/2007	09/14/2007

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Disposition

Disposition Date: 09/14/2007
Effective Date (New): 10/01/2007
Effective Date (Renewal): 10/01/2007
Status: Filed
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		No
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		No
Supporting Document	Cover Letter	Filed	Yes
Supporting Document	MOHO Removal Filing	Filed	Yes
Rate	HO Rule Manual	Filed	Yes
Rate	HO State Rate Pages	Filed	Yes
Rate	Dwelling Fire Manual	Filed	Yes

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Rate Information

Rate data does NOT apply to filing.

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	HO Rule Manual	Entire Manual	Replacement	AR Homeowner Rule Manual.pdf
Filed	HO State Rate Pages	Entire Manual	Replacement	AR Homeowner State Rate Pages.pdf
Filed	Dwelling Fire Manual	Entire Manual	Replacement	AR Dwelling Fire Manual.pdf

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

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RULE 1. ELIGIBILITY

1.1 Owner Occupied

A policy may be issued to an owner-occupant of a dwelling used only for private residential purposes and occupied by no more than four families and no more than two boarders or roomers per family

Use Form 1, 2, 3

1.2 Tenant Occupied

A policy may be issued to the tenant (non-owner) of a dwelling or apartment if the residence occupied by the insured is used only for residential purposes and is occupied by no more than one additional family or two boarders or roomers.

Use Form 4

1.3 Condominiums

A policy may be issued to the owner of a condominium unit if the residence occupied by the insured is used only for residential purposes and is occupied by no more than one additional family or two boarders or roomers.

Use Form 4 and HM-31

1.4 Co-owner Occupancy

A policy may be issued to one of the co-owners provided each occupies separate apartments within the dwelling.

Use Form 1, 2, 3

A Form 4 policy may be issued to the other co-owner(s).

1.5 Dwellings Under Construction

A policy may be issued to cover the interest of the intended owner-occupant of a dwelling under construction.

Use Form 1 for estimated completed value.

1.6 Seasonal Dwellings

A policy may be issued to cover a seasonal dwelling.

Use Form 1. If other form, refer to Company.

1.7 Ineligible Occupancies

The following are ineligible for coverage under this manual:

- Property to which dwelling fire forms or rates apply.

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RULE 2. PROGRAM DESCRIPTION

The following is a general description of the coverages provided by the Homeowner forms.
The policy forms state the complete conditions.

2.1 Property Coverages - Property (Mandatory)

Coverage A - Residence
Coverage B - Private Structures
Coverage C - Personal Property
Coverage D - Additional Living Costs and Loss of Rent

2.1.1 Forms 1 and 2 cover the residence, private structures, personal property and additional living costs against losses resulting from the perils indicated below.

	<u>Form 1</u>	<u>Form 2</u>
Fire or Lightning.....	X	X
Windstorm or Hail	X	X
Explosion	X	X
Riot or Civil Commotion	X	X
Aircraft	X	X
Vehicles	X	X
Smoke	X	X
Vandalism.....	X	X
Glass Breakage	X	X
Theft	X	X
Falling Objects.....		X
Weight of Ice, Snow or Sleet		X
Collapse of Building		X
Sudden and Accidental Tearing Apart, Burning or Bulging		X
Accidental Discharge of Liquids or Steam		X
Freezing		X
Sudden and Accidental Damage from Electrical Currents		X

2.1.2 Form 3 cover the residence, private structures and additional living costs against all physical loss, with certain exceptions. Personal property is covered for the perils shown for Form 2.

2.1.3 Form 4 covers personal property including the insured's interest in building additions and improvements and additional living expense against loss by the perils shown for Form 2.

2.1.4 Actual Cash Value - Forms 1, 2, 3

The loss settlement provision for a homeowner policy can be amended to settle losses on an actual cash value basis rather than replacement cost.
The additional charge is shown in the State Rate pages.

Attach Endorsement ML-15

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2.2 Liability Coverages - Liability (Mandatory)

Personal Liability - Pays on behalf of the insured for damages due to bodily injury or property damage caused by an occurrence related to the insured's premises or personal activities.

Medical Payments to Others - Pays medical expenses incurred by persons, who are not insureds, if the bodily injury occurs in connection with the insured's premises or personal activities.

2.3 Package Policy Requirements

For the **Homeowner Policy**, the recommended minimum limits of liability are as follows:

<u>Property Coverages</u>	<u>Form 1</u>	<u>Form 2</u>	<u>Form 3</u>	<u>Tenant Form 4</u>	<u>Condo Form 6</u>
Residence	\$25,000	\$50,000	\$50,000		
Private Structures	10% of lim. on res.	10% of lim. on res.	10% of lim. on res.		
Personal Property	50%* of lim. on res.	50%* of lim. on res.	60%* of lim. on res.	\$12,000	\$18,000
Additional Living Costs	10%** of lim. on res.	20%+ of lim. on res.	60%+ of lim. on res.	20% of lim. on personal property	40% of lim. on personal property

* 30% for dwellings occupied by three or four families

** 5% for dwellings occupied by three or four families

+ 10% for dwellings occupied by three or four families

<u>Liability Coverages</u>	<u>Forms 1,2,3,4,6</u>
Personal Liability	\$25,000 each occurrence
Medical Payments to Others	\$ 500 each person \$25,000 each accident

RULE 3. POLICY WRITING INSTRUCTIONS

3.1 Inception Time

The policy will take effect at 12:01 a.m.

Show time on Declarations Page

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3.2 Annual Policy Term

Policies are written for annual terms only.

3.3 Continuous Renewal Plan

The policy may be continued for successive terms by payment of the required premium.

Attach Endorsement CC-H10001

3.4 Additional Interests

The policy may cover the interests of additional owners at no additional premium. This coverage is limited to the building and premises liability.

Attach Endorsement HM-41

3.5 Transfer or Assignment

The Policy may be endorsed to effect transfer to another location within the same state (Form 4 only). Assignment of coverage from one insured to another is not allowed. A new application is required.

3.6 Restriction of Coverage

If a policy would not be issued because of unusual exposures, the applicant may request a restriction of coverage at no reduction of premium. The request, signed by the applicant, must be referred to company.

3.7 Cancellation or Reductions in Limits of Liability or Coverages

Mandatory coverages may not be cancelled unless the entire policy is cancelled.

The policy must be cancelled in accordance with the terms of applicable cancellation provisions.

If the policy or non-mandatory coverages are cancelled or the amount of insurance is reduced:

- By the company; or
In the event of foreclosure of the mortgage on the insured real property; or
In the event of relocation if a Company policy is issued at new location; or
In the event of the sale of property if other properties are insured by the Company:

Compute return premium pro rata.

- By the insured:

Compute return premium at 84% of the pro rata unearned premium.

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RULE 4. PREMIUM DETERMINATION

Annual premiums and rates are shown in the State Rate Pages. The basic policy premiums are for property and liability coverages.

4.1 Calculation of Premium

Any computations for additional coverages or additional amounts of insurance are to be rounded separately to the nearest dollar. Fifty cents or more is to be considered as a dollar.

The premium is computed as follows:

- 4.1.1** Determine the base premium by using the rate pages.
- 4.1.2** Add to 4.1.1 any townhouse/row house charge (if applicable).
- 4.1.3** If Actual Cash Value policy, increase 4.1.1 as shown in rate pages.
- 4.1.4** The condominium discount is applied to 4.1.3 (if applicable).
- 4.1.5** The premium from 4.1.3 should then be adjusted for any revised limit of Coverage C (except Tenants and Condominiums).
- 4.1.6** The proper charge or credit for deductible is applied to the premium from 4.1.5. (This is the basic premium.)
- 4.1.7** The Year of Construction Factor is applied to the premium from 4.1.6 (if applicable). The dollar amount is applied to the 4.1.18 premium.
- 4.1.8** The Protective Device Credit is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.18 premium.
- 4.1.9** The Multi-Line Discount is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.18 premium.
- 4.1.10** The Claim Record/Persistency Rating Plan is applied to the premium from 4.1.6 (if applicable). The dollar amount is applied to the 4.1.18 premium.
- 4.1.11** The Federal Flood Insurance Program Credit is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.18 premium.
- 4.1.12** The Home-Buyer Loyalty Credit is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.18 premium.
- 4.1.13** The Inflation Guard credit is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.18 premium.

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- 4.1.14** The charge for replacement cost on contents is applied to the premium from 4.1.13 (if applicable). The dollar amount is applied to the 4.1.18 premium.
- 4.1.15** The Roof Surfacing Surcharge is applied to the premium from 4.1.13 (if applicable). The dollar amount is applied to the 4.1.18 premium.
- 4.1.16** The Woodburning Device Surcharge is applied to the premium from 4.1.14 (if applicable). The dollar amount is applied to the 4.1.18 premium.
- 4.1.17** Apply credit or charge for Modified Replacement Cost as stated in rate pages to premium from 4.1.15 (if applicable).
- 4.1.18** Add the additional premium for all mandatory or optional property coverages and all mandatory or optional liability coverages.
- 4.1.19** Apply the credit level factor to the premium from 4.1.18.
- 4.1.20** Add the installment fee amount when applicable.

4.2 Changes in Liability Limits

Liability coverage limits may be increased or decreased. The premiums are shown in the State Rate Pages.

4.3 Other Liability Exposures

Liability coverage for the following exposures is required if they exist. The additional premium is shown in the State Rate Pages.

- 4.3.1** Three or four family dwellings
- 4.3.2** All additional or secondary residence premises where the named insured or spouse maintains a residence, other than business or farm properties.
- 4.3.3** All residence employees of the named insured or spouse not covered or not required to be covered by workers' compensation insurance. A charge is required for residence employees in excess of two.
- 4.3.4** Incidental office, professional, private school or studio occupancies by the named insured on residential premises of the named insured. Refer to Rule 8.4.

4.4 Mid-term Changes

- 4.4.1** The limits of liability may be changed or coverages added or deleted during the policy term. Compute the premium on a pro rata basis using the same rates in effect when the current policy premiums were calculated.

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4.4.2 Changes which result in return or additional premium of \$3 or less will not be billed or returned to the insured unless requested in writing.

4.5 Specifically Rated Dwellings - Forms 1, 2, 3

The premium for specifically rated dwellings of fire resistive or fireproof construction is 85% of the applicable brick or masonry premium.

The applicable fire and extended coverage rates shall be used for other specifically rated dwellings when written under a homeowner policy.

4.6 Row and Townhouses

The premium for an eligible one or two family owner-occupied dwelling in a townhouse or row house is determined as shown in the State Rate Pages.

An eligible two family owner-occupied dwelling is considered two individual units when determining the number of family units within a fire division.

4.7 Reserved for Future Use

4.8 Payment Plans

A payment plan is available if:

a. the policy meets minimum premium requirements listed below:

<u>Plan</u>	<u>Minimum Premium</u>
Full	None
Two Pay	\$100
Three Pay	\$200
Four Pay	\$300

b. the policy is not a mortgagee pay policy.

Refer to State Rate pages for installment fees.

4.9 Non-Sufficient Funds

Policyholders' checks for payment of premium that are returned due to non-sufficient funds (NSF) in the account from which the check was written will result in a service charge per occurrence.

Refer to State Rate Pages for NSF fees.

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RULE 5. DEDUCTIBLES

The deductible amount is shown on the Declarations Page; no endorsement is needed.

5.1 Flat Deductibles - All Perils

The policy may be issued with one of the following options at the premium credit or surcharge shown in the State Rate Pages.

Deductible Amounts

<u>Forms 1,2,3</u>	<u>Forms 4&6</u>
\$ 750	\$ 250
1,000	500
1,500	750
2,500	1,000
5,000	1,500
1% of Coverage A	2,500
	5,000

Base deductible - \$750

Base deductible \$250

5.2 Theft Deductible – Forms 4 & 6

When a policy is issued with a \$250 deductible, the deductible amount that applies to theft losses under Coverage C may be increased to \$500. Apply the premium surcharge or credit shown in the State Rate Pages.

RULE 6. PREMIUM MODIFICATIONS

6.1 Modified Replacement Cost - Coverages A and B - Forms 1, 2, 3

The policy may be endorsed to provide replacement cost coverage when the amount of insurance is less than 80% of the replacement value of the dwelling. The premium is developed from the State Rate Pages.

Attach Endorsement HM-256

6.2 Reserved for Future Use

6.3 Woodburning Device Surcharge - All Forms

A surcharge will be applicable if the property has a woodburning device. The surcharge is shown in the State Rate Pages.

6.4 Year of Construction - Forms 1, 2, 3

Factors will apply to the basic policy premium depending upon the age of the dwelling. The age is determined by subtracting the year of construction from the effective date year. Refer to the State Rate Pages for Year of Construction factors.

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6.5 Multi-Line Discount - All Forms

A discount to the basic policy premium will be allowed if the named insured has an auto, life, and/or annuity policy with us. Auto policies written on motorcycles, motorhomes, snowmobiles, utility trailers, recreational trailers, kit cars, antique vehicles, electric cars or golf carts will not qualify the homeowner policy for the discount. The discounts are shown in the State Rate Pages.

6.6 Federal Flood Insurance Program Credit

A discount to the basic policy premium will be allowed if the named insured has a federal flood insurance policy effective 6/1/1999 or later which was placed with us in our flood insurance placement program.

See the State Rate Pages for the amount of the credit.

6.7 Protective Device Credits - All Forms

The premium credits shown in the State Rate Pages may be allowed for the installation of the following approved and properly maintained alarm systems: Central Station Burglary Alarms and Central Station Fire Alarms.

6.8 Home-Buyer Loyalty Credit - Forms 3 & 4

A credit to the basic policy premium will be allowed if the named insured is insured with us under a HM-4 tenant policy and converts to a HM-3 homeowner policy or a HM-4 condominium owner policy without any interruption in coverage. This is a one-time credit for the initial policy term. The credit is shown in the State Rate Pages.

6.9 Roof Surfacing Surcharge - Forms 1, 2, 3

A surcharge will be applicable if the property has a shake shingle type roof. The surcharge is shown on the State Rate Pages.

6.10 Credit Level Rating - Forms 1, 2, 3

All Form 1, 2 and 3 policies are subject to credit level rating. The applicable rating level is determined using the credit score of the primary named insured. Level 7 should be used for applicants or policyholders who will not allow the use of their credit.

Refer to the State Rate Pages for the credit level factors.

6.11 Claim Record/Persistency Rating Plan - All Forms

A factor will apply to the basic policy premium based on the claim record and length of time insured with Horace Mann Insurance Companies.

- A. Consecutive years insured with us
The years insured with us are determined by the number of consecutive years (ending with the current renewal date) the named insured has had our homeowners, tenant or condominium policy covering the primary residence or its contents.

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Reinstatement: if a policy is reinstated, the number of consecutive years with us which applied at the time of cancellation or nonrenewal will be used, provided the policy was reinstated within twelve months. The period of time away from us does not count.

B. Number of qualified paid claims in the last three years

The number of claims is determined by the number of qualified paid claims the policyholder has had in the last three years (ending three months prior to the current renewal effective date). A qualified claim is considered to be any non-weather, non-catastrophe, or non-mine subsidence related claim which results in a paid loss during this three year period. The following are NOT considered qualified claims: losses which only have payments under Medical Payments coverage; losses which occurred prior to the named insured's current tenure with us; or losses for which subrogation payments have been received.

RULE 7. OPTIONAL SECTION I PROPERTY COVERAGES

7.1 Earthquake

Earthquake coverage may be provided at the additional premium shown in the State Rate Pages. The limits for Earthquake coverage are percentages of the current Coverage A amount - 100% of the Coverage A amount for Coverage A losses, 10% for Coverage B losses, 30% for Coverage C losses and 10% for Coverage D losses.

A deductible of 10%, 15% or 25%, subject to a minimum of \$250, will apply separately per occurrence to loss under Coverages A, B and C. There is no deductible for loss under Coverage D. Not all deductibles are available in all counties. See State Rate Pages.

Attach Endorsement CC-P06AR1 (10-96)

7.2 Inflation Guard Coverage

7.2.1 Inflation Protection Coverage - Forms 1, 2, 3

A discount will apply to the basic premium if, at the time the policy is written, the dwelling is insured for 100% of its present replacement cost. This endorsement provides for adjustments in the limits of liability for property coverages to track with our building cost indices. The credit is shown in the State Rate Pages.

Attach Endorsement CC-H06025

7.2.2 Constant Value Coverage - Forms 1, 2, 3

This endorsement provides for adjustments in the limits of liability for property coverages to track with our building cost indices.

Attach Endorsement CC-H06022

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7.2.3 Tenant and Condominium Unit Owners Inflation Protection Coverage - Form 4

This endorsement provides for adjustments in the limits of liability for property coverages to track with our building cost indices.

Attach Endorsement CC-H06023

7.2.4 Inflation Protection Coverage - Forms 1, 2, 3

This endorsement provides for adjustments in the limits of liability for property coverages to track with changes in our building cost indices provided the dwelling is originally insured for more than 80% but less than 100% of its replacement cost.

Attach Endorsement CC-H06024

7.3 Private Structures

7.3.1 Increased Limits - An additional amount of insurance may be written on a specific private structure at the additional premium shown in the State Rate Pages.

Attach Endorsement HM-48

7.3.2 Rented to Others - Coverage may be provided for a private structure on the described premises rented or held for rental to others, used for residential purposes and occupied by no more than two families. The additional premium is shown in the State Rate Pages. Refer to Rule 8.2 for the liability coverage.

Attach Endorsement ML-40

7.3.3 With Incidental Occupancies - Coverage for a private structure on the described premises with an office, professional, private school or studio occupancy may be provided at the additional premium shown in the State Rate Pages for Private Structures Rented to Others. Refer to Rule 8.4 for the liability coverage.

Attach Endorsement ML-42

7.4 Personal Property

7.4.1 Increased Limit - The Coverage C limit of liability may be increased at the additional premium shown in the State Rate Pages.

Show limit on Declarations Page

**HORACE MANN INSURANCE COMPANY
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7.4.2 Reduced Limit - For one or two family dwellings, the Coverage C limit may be reduced to not less than 40% of the Coverage A limit on Forms 1 and 2 and 50% of the Coverage A limit on Form 3 at the credit shown in the State Rate Pages. This reduction is not permitted on Form 7 or when Endorsement ML-42 is attached.

Show limit on Declarations Page

7.4.3 In Rental Units - Personal property of the insured located in the rental portion of the dwelling or private structure, not occupied by the insured, may be covered at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-152

7.5 Replacement Value - Personal Property - Forms 3, 4

Personal property may be insured for replacement value at the additional charge shown in the State Rate Pages.

Attach Endorsement HM-55

7.6 Motorized Vehicles

The \$2,500 limit for motorized vehicles used to service the insured premises and not licensed for use on public roads may be increased at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-65

7.7 Additional Living Costs and Loss of Rent

Coverage D may be increased at the additional premium shown in the State Rate Pages.

Show limit on Declarations Page

7.8 Tenant's Improvements - Form 4

The 20% of Coverage C limit for improvements on the insured premises may be increased at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-30

7.9 Fire Department Service Charge

The \$500 limit for fire department service charges may be increased at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-30

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7.10 Scheduled Personal Property

7.10.1 Personal Property Coverage

Coverage may be provided for physical loss, with certain exceptions, on scheduled personal property. Refer to the State Rate Pages.

Attach Endorsement HM-61

7.10.2 Personal Articles Coverage

Coverage may be provided for physical loss, with certain exceptions, on scheduled personal articles. Refer to the State Rate Pages.

Attach Endorsement CC-I00012

7.11 Scheduled Glass

Coverage may be provided for specific items of glass. The additional premium is shown in the State Rate Pages.

Attach Endorsement ML-68

7.12 Refrigerated Food Products

Coverage may be provided for loss or damage to food products contained in a freezer or refrigerated unit. The additional premium is shown in the State Rate Pages.

Attach Endorsement ML-155

7.13 Electronic Data Processing Equipment - Increased Limits

The \$3,000 limit on premises (\$2,000 limit on premises of a student away from home) for electronic data processing equipment may be increased. The additional premium is shown in the State Rate Pages.

Attach Endorsement CC-H06030

7.14 Homeowner First Mortgage Disaster Coverage - Forms 1, 2, 3

When coverage is extended to include reimbursement for the actual amount of the insured's monthly mortgage payment, payment will be made for the length of time, in excess of 30 days, that the insured dwelling is uninhabitable, up to 6 payments, subject to the conditions of the endorsement. The additional premium is shown in the State Rate Pages.

Attach Endorsement CL-P06003

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7.15 Additional Coverage Endorsement - Forms 3 & 4

The following limits for the Coverage C, Personal Property, may be increased by the following additional amounts at the additional premium shown in the State Rate Pages.

	<u>Policy Limit</u>	<u>ACE Amount</u>	<u>Total Limit</u>
Money, Bank Notes, etc.	\$ 100	\$ 100	\$ 200
Securities, Commercial Paper, Stamps, etc.	500	500	1,000
Jewelry, Watches, etc.	1,000	1,000	2,000
Silverware, etc.	2,000	1,000	3,000
Guns, etc.	1,000	1,000	2,000
Motorized Vehicles used to service the insured prem.	2,500	1,000	3,500
Refrigerated Products	0	1,000	1,000
Vandalism Deductible	Policy Ded.	50% Reduction	50% of policy ded.

Attach Endorsement CC-H06040

7.16 Homeowners Association Loss Assessment

The policy may be extended to cover loss assessment charged to the insured by the homeowners association as a result of a loss due to a covered peril. The additional premium is shown in the State Rate Pages.

Attach Endorsement ML-50

7.17 Condominium Unit-Owners Supplemental Coverages

7.17.1 Unit-Owners Additions and Alterations

Special Coverage - Coverage may be provided for all direct physical loss unless excluded. The additional premium is shown in the State Rate pages.

Attach Endorsement HM-32

Increased Limit - The 20% of Coverage C limit may be increased at the premium shown in the State Rate Pages.

Show amount of increase on Endorsement HM-31 or HM-32

Earthquake Coverage - Coverage may be added for earthquake loss by using the rates and endorsement for Rule 7.1.

7.17.2 Unit Rental to Others

Personal property of the insured may be covered while the unit is rented to others. The additional premium is shown in the State Rate Pages.

Attach Endorsement ML-33

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7.17.3 Loss Assessment

The policy may be extended to cover loss assessment charged to the insured by the association of condominium unit-owners as a result of loss due to a covered peril. The additional premium is shown in the State Rate Pages.

Attached Endorsement ML-50

7.18 Reserved for Future Use

7.19 Water Damage (Sewers and Drains)

This endorsement provides \$3,000 per occurrence/\$6,000 annual aggregate per policy term for losses due to sewer and drain backup. This rate is shown in the State Rate Pages.

The effective date of this endorsement for in force risks will be 12:01 A.M. local time, on the 30th calendar day after the request for this additional coverage has been received by the company. The effective date for new risks will be the original date coverage is written.

Attach Endorsement HM-208

RULE 8. OPTIONAL SECTION II LIABILITY COVERAGES

All mandatory or optional Liability Coverages must be written at the same limit.

8.1 Additional Residence Premises - Rented to Others

Coverage may be provided for additional one or two family residence premises rented to others, owned by the named insured or spouse, at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-70

8.2 Private Structures - Rented to Others

If coverage is provided under property coverages for private structures rented to others, apply the additional liability premium shown in the State Rate Pages for Additional Residence Premises - Rented to Others. Refer to Rule 7.3.2 for the property coverage.

Attach Endorsement ML-40

8.3 Waterbed Liability - Form 4

Coverage may be provided for the property damage liability of an insured arising out of the ownership or use of a waterbed on the insured premises. The additional premium is shown in the State Rate Pages.

Attach Endorsement ML-209

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8.4 Office, Professional, Private School or Studio Occupancy

Incidental office, professional, private school or studio occupancies are permitted provided:

- the premises are occupied principally for residential purposes; and
- there is no other business conducted on the premises.

Coverage may be provided for liability of an insured arising from:

- An office, professional, private school or studio occupancy in the dwelling or in a separate structure on the premises. The limit for Coverage C must be at least:

Forms 1, 2

60% of Coverage A
or 35% for dwellings
occupied by 3 or 4
families.

Form 3

70% of Coverage A
or 40% for dwellings
occupied by 3 or 4
families.

Refer to Rule 7.3.3 for the property coverage, if applicable.

- Professional instruction given by the insured in the dwelling. The insured employs no assistants and the dwelling has not been altered to accommodate the occupancy.
- An office, professional, private school or studio occupancy in an additional residence premises occupied by the insured, other than the described premises.

The additional premiums are shown in the State Rate Pages.

Attach Endorsement ML-42

8.5 Watercraft

Coverage may be provided for watercraft not covered by the policy at the premiums shown in the State Rate Pages.

- For rating purposes, combine the horsepower of all outboard motors used together with any single watercraft owned by the insured.
- Sailboats 26 to 40 feet inclusive equipped with auxiliary power are classed as inboard motor boats.

Attach Endorsement ML-75

RULE 9. ADDITIONAL AND SECONDARY LOCATIONS

9.1 Secondary Locations

A separate policy may be written to cover secondary locations meeting the requirements of Rule 1. Liability Coverages may be omitted if eligible for credits as described Rule 9.2.

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9.2 Credit for Liability Coverages

Liability Coverages may be omitted from the policy covering the additional or secondary location. The policy must be endorsed or amended to indicate that liability coverage for the additional or secondary location is provided by the homeowner policy covering the primary location. Apply the premium credit for the liability coverages shown in the State Rate Pages.

RULE 10. SPECIAL ENDORSEMENTS

10.1 Survivor's Waiver of Premium - Forms 1, 2, 3

The first renewal premium under the policy may be waived following an accidental death of the named insured or spouse, if a resident of the household at time of death, at no additional cost. The survivor must be a resident of the household at the time the renewal premium is due.

Attach Endorsement CC-P06003

10.2 Additional Benefits Endorsement

This endorsement provides additional coverage for all Homeowner policies. See endorsement for details.

Attach Endorsement CC-H06043 for Forms 1, 2, 3, 4 (condo)

Attach Endorsement CC-H06051 for Form 4 (tenant)

10.3 Identity Fraud Advocacy Services

We will provide the insured with access to an advocate who will provide Identity Fraud Advocacy Services described in this endorsement. Services are subject to the terms of this endorsement and the terms of the homeowner policy to which it is attached, except as amended by this endorsement.

Attach Endorsement HM-686

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6.1 Modified Replacement Cost - Coverages A and B

- (A) Determine the 80% replacement value of dwelling and obtain the premium for that limit from the basic policy premium charts.
- (B) Apply the appropriate credit shown below to the premium developed in (A).

<u>Amount of Insurance As A % of Full Replacement Value</u>	<u>Credit</u>
66-79%	3%
50-65%	8%
Below 50%	13%

Attach HM-256

6.3 Woodburning Device Surcharge

6% - Minimum Charge: \$25.00

6.4 Year of Construction - Forms 1, 2 & 3

<u>Age in Years</u>	<u>Factor</u>	<u>Age in Years</u>	<u>Factor</u>
0 - 1	.80	6	.90
2	.82	7	.95
3	.84	8 - 34	1.00
4	.86	35 - 44	1.05
5	.88	45+	1.10

6.5 Multi-Line Discount - All Forms

A 12 percent discount applies if the policyholder is an educator and has at least one policy with us in two or more of the following lines: Auto, Life, and Annuity.

A 7 percent discount applies if the policyholder is a non-educator and has at least one policy with us in two or more of the following lines: Auto, Life, and Annuity.

A 7 percent discount applies if the policyholder is an educator and has at least one policy with us in only one of the following lines: Auto, Life, or Annuity.

A 5 percent discount applies if the policyholder is a non-educator and has at least one policy with us in only one of the following lines: Auto, Life, or Annuity.

6.6 Federal Flood Insurance Program Credit

A 2% credit applies.

6.7 Protective Device Credits - All Forms

	<u>% of credit</u>
Central Station Fire Alarm Systems	5%
Central Station Burglary Alarm Systems	5%

6.8 Home-Buyer Loyalty Credit - Forms 3 & 4

A 8% credit applies.

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6.9 Roof Surfacing Surcharge

A 10% surcharge applies.

6.10 Credit Level Rating - Forms 1, 2, 3

<u>Level</u>	<u>Factor</u>
1	0.79
2	0.83
3	0.92
4	1.00
5	1.68
6	0.83
7	1.90
8	1.90
9	0.83

6.11 Claim Record/Persistency Rating Plan - All Forms

The basic premium will be adjusted according to the following:

<u>Consecutive years Insured with us</u>	<u>Number of qualified paid claims in the last three years.</u>				
	0	1	2	3	4+
0-2	0%	+5%	+35%	+55%	+85%
3-5	0	+5	+35	+55	+85
6-8	-5	0	+30	+55	+85
9+	-5	0	+20	+55	+85

7.1 Earthquake

		Rates per \$1,000 of Insurance*					
		10% Deductible		15% Deductible		25% Deductible	
		ALL		ALL		ALL	
		FRAME	OTHERS	FRAME	OTHERS	FRAME	OTHERS
ZONE A							
	HM-1,2,3			\$0.45	\$0.90	\$0.32	\$0.64
	HM-4			\$0.27	\$0.27	\$0.19	\$0.19
ZONE B							
	HM-1,2,3	\$0.22	\$0.44	\$0.18	\$0.36	\$0.13	\$0.26
	HM-4	\$0.13	\$0.13	\$0.10	\$0.10	\$0.07	\$0.07

Attach CC-P06AR1

The minimum premium for this endorsement is \$25.00.

* Coverage for masonry veneer is optional - refer to endorsement. If the special exclusion applies, rate as "frame". If not, rate as "all others".

Zone A: Clay, Craighead, Crittenden, Cross, Greene, Lee, Mississippi, Phillips, Poinsett and St. Francis Counties

Zone B: Remainder of State

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7.2 Inflation Guard

7.2.1 Inflation Protection Coverage

HM-1,2,3 % of Credit
 5%

Attach CC-H06025

Rates Per \$1,000 of Insurance

7.3 Private Structures

7.3.1 Increased Limit \$4.00
Attach HM-48

7.3.2 Rented to Others \$6.00
Attach ML-40

7.4 Personal Property

7.4.1 Increased Limit \$.50

Show Limit on Declarations Page

7.4.2 Reduced Limit \$.50 Credit

Show limit on Declarations Page

7.4.3 In Rental Units \$9.00
Attach ML-152

7.5 Replacement Value - Personal Property

Increase Basic Policy Premium adjusted for any deductible charge or credit, insurance-to-value credit (HM-3), and any increased Coverage C charge (HM-3) by the following percentages:

HM-3	8%	-	Minimum Charge	\$20
HM-4	15%	\$500 deductible or greater	Minimum Charge	\$15
HM-4	35%	Less than \$500 deductible	Minimum Charge	\$20

Attach HM-55

	<u>Amount of Insurance</u>	<u>Rate Per Amount</u>	<u>Max Add'l Amount</u>
7.6 Motorized Vehicles Attach ML-65	\$1,000	\$6.00	None
7.7 Additional Living Costs & Loss of Rent Show Limit on Declarations Page	\$1,000	\$4.00	None
7.8 Tenant's Improvements Attach ML-30	\$1,000	\$4.00	None
7.9 Fire Dept. Service Charge Attach ML-30	\$ 100	\$2.00	\$ 500

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7.10 Scheduled Personal Property

7.10.1 Personal Property Coverage

	<u>Amount of Insurance</u>	<u>Rate Per Amount</u>	<u>Max Add'l Amount</u>
Jewelry			
Pulaski County	\$ 100	\$1.35	None
Remainder of State	100	1.00	None
Furs, etc.	100	.35	None
Cameras - Amateur	100	1.50	None
Musical Instruments - Amateur	100	.75	None
Silverware, Goldware, etc.	100	.20	None
Golfers Equipment	100	1.50	None
Fine Arts	100	.20	None
Stamp Collections	100	.70	None
Coin Collections	100	1.70	None
Bicycles	100	10.00	None

All other categories of personal property to be scheduled, refer to Home Office.

Minimum annual premium - \$25.00

Attach HM-61

7.10.2 Personal Articles Coverage

Sports Cards and Collectors Cards	\$ 100	\$5.00	None
Sports Memorabilia	100	5.00	None
Cellular Phones	100	2.00	None
Personal Computers and Equipment	100	2.00	None
Guns and Gun Equipment	100	2.00	None
Sports Equipment	100	2.00	None
Cameras - Professional	100	2.50	None
Musical Instr. - Professional	100	3.00	None

Minimum annual premium - \$25.00

Attach CC-I00012

7.11 Scheduled Glass	\$ 100	\$2.00	None
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Attach ML-68

7.12 Refrigerated Food Products	\$ 500	\$5.00	\$1,000
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Attach ML-155

7.13 Electronic Data Processing Equipment	\$1,000	\$4.00	\$7,000
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Attach CC-H06030

**HORACE MANN INSURANCE COMPANY
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7.14 Homeowner First Mortgage Disaster Coverage

<u>Mortgage Payment</u>	<u>Charge</u>
Up to \$500 a month	\$5.00
Each add'l \$250 a month	2.50

Attach CL-P06003

7.15 Additional Coverage Endorsement

<u>Policy Form</u>	<u>Charge</u>
HM-3	\$36.00
**	**
HM-4 (Tenant)	30.00
HM-4 (Condo)	32.00

Attach CC-H06040

7.16 Homeowners Association Loss Assessment Coverage

<u>Limit of Liability</u>	<u>Premium</u>
1st \$ 1,000	\$10.00
Next 4,000	6.00
Next 5,000	4.00
Each Add'l 5,000 (up to \$50,000)	2.00

Attach ML-50

*

7.17 Condominium Unit-Owners Supplemental Coverages

7.17.1 Additions and Alterations

Special Coverage - \$2.00

Attach HM-32

	<u>Rates per \$1,000 of Insurance</u>
Increased Limit - Basic Coverage	\$4.00

Attach HM-31

Increased Limit - Special Coverage	\$6.00
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Attach HM-32

Earthquake Coverage	See rates for Rule 7.1
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Attach ML-54

**HORACE MANN INSURANCE COMPANY
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7.17.2 Unit Rental to Others

Charge 25% of the Basic Policy premium

Attach ML-33

**** 7.17.3 Loss Assessment Coverages**

<u>Limit of Liability</u>	<u>Premium</u>
1 st \$1,000	\$10
Next 4,000	6
Next 5,000	4
Each Add'l 5,000 (up to \$50,000)	2

Attach ML-50

7.19 Water Damage (Sewers and Drains) \$24

		<u>Limits*</u>					<u>Each Add'l \$500 of Med Payments</u>
		<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	
8.1 Additional Residence Premises Rented to Others							
1 Family		13	14	15	17	18	1
2 Family		21	22	23	29	30	1
Attach ML-70							
8.3 Waterbed Liability		16	18	20	22	24	-
(does not include Med Payments)							
Attach ML-209							
8.4 Office, Professional, Private School or Studio Occupancy							
On Premises		12	16	16	20	20	4
Instruction Only		2	2	2	4	4	1
Off Premises		10	12	14	16	18	1

This charge applies for
each such exposure.

Attach ML-42

* Liability/Med Payments

- (1) \$ 25,000/500
- (2) 50,000/500
- (3) 100,000/500
- (4) 200,000/500
- (5) 300,000/500

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		Limits*					Each Add'l \$500 of Med Payments
		(1)	(2)	(3)	(4)	(5)	
8.5 Watercraft(+)							
Each Outboard Motor							
26-50 HP		5	6	7	8	9	2
Over 50 HP		9	11	12	14	16	3
Inboard or Inboard - Outboard Motorboats And Sailboats Under 16 MPH							
Less than 26 Ft.		12	14	16	19	21	2
26 to 40 Ft.		27	32	35	41	47	4
Over 40 Ft.		52	61	68	79	90	6
16-30 MPH							
Less than 26 Ft.		25	30	33	39	44	3
26 to 40 Ft.		42	49	55	64	73	6
Over 40 Ft.		78	92	102	119	135	9
Over 30 MPH							
Less than 26 Ft.		32	38	42	49	56	6
26 to 40 Ft.		78	92	102	119	135	9
Sailboats - No Auxiliary Power							
26 to 40 Ft.		25	30	33	39	44	3

Attach ML-75

(+) Note: Charge Not Applicable if the watercraft is:

1. powered by outboard motor 25 horsepower or less.
2. powered by inboard/outboard or inboard motor 50 horsepower or less.
3. a sailboat 25 feet or less.

* Liability/Med Payments

- (1) \$ 25,000/500
- (2) 50,000/500
- (3) 100,000/500
- (4) 200,000/500
- (5) 300,000/500

9.2 Credit for Liability Coverages
\$10.00

10.3 Identity Fraud Advocacy Services

The endorsement is automatically included if the insured is an educator.

The endorsement charge is \$20 if the insured is a non-educator.

Attach HM-686

**HORACE MANN INSURANCE COMPANY
DWELLING 77 PROGRAM
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Key Premium/Key Factor Display		
Fire (DP-1, 2 & 3)	2.A.	B-3 & B-4-8
E.C. (DP-1), Broad Form (DP-2), Special Form (DP-3)	2.B.	B-9-14
Vandalism & Malicious Mischief	4	B-15
Contingent Liability	5	B-15
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**HORACE MANN INSURANCE COMPANY
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ARKANSAS**

EXCEPTIONS TO GENERAL RULES

RULE 3. ELIGIBILITY

Paragraph C.3. is deleted and replaced by the following:

3. at a separate location when used in connection with the insured location but not for business purposes.

Paragraphs D-1 and D-2 are deleted and replaced by the following:

1. a dwelling eligible under Coverage A; or
2. a dwelling with rental apartments including furnishings, equipment and appliances in hall or utility rooms; or
3. any apartment or condominium unit used as private living quarters of the insured or rented to others furnished.

RESERVED FOR FUTURE USE

RULE 8. CANCELLATIONS OR REDUCTIONS

This rule is deleted and the following substituted:

If insurance is cancelled or reduced at the request of either the insured or the company, the earned premium shall be computed on a pro rata basis.

RULE 9. MANUAL PREMIUM REVISION

This rule deleted and the following substituted:

A manual premium revision, meaning any revision of premium applicable to the Dwelling Program shall be made in accordance with the following procedures:

- a. The effective date of such revision shall be as announced.
- b. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- c. When an existing Dwelling Policy is endorsed to take advantage of a reduction in premium, the adjustment shall be made on a pro rata basis.

- d. The forms and endorsements in effect on the effective date of the revision are to be used with the revised premiums or rates except on existing policies:

1. Reserved for Future Use
2. when the limits of liability are increased.

SUPPLEMENTS TO GENERAL RULES

RESERVED FOR FUTURE USE

DEVIATION FROM BUREAU RATES

The rates in this manual are Bureau rates. The total premium for each policy is to be deviated by – 10%.

FEDERAL FLOOD INSURANCE PROGRAM CREDIT

A discount to the basic policy premium will be allowed if the named insured has a federal flood insurance policy effective 6/1/1999 or later which was placed with us in our flood insurance placement program.

A 2% credit applies.

SPECIAL STATE REQUIREMENTS

SPECIAL PROVISIONS – ENDORSEMENT CP-300

This endorsement shall be attached to all dwelling policies.

**HORACE MANN INSURANCE COMPANY
DWELLING 77 PROGRAM
ARKANSAS**

1. TERRITORY DEFINITIONS

A. Cities

City of	County of	Code	County of	Code
Little Rock	Pulaski	30		
No. Little Rock	Pulaski	30	Jackson	33

B. Other Than Cities

County of	Code	County of	Code
Arkansas	33	Jefferson	32
Ashley	33	Johnson	33
Baxter	33	Lafayette	33
Benton	33	Lawrence	33
Boone	33	Lee	33
Bradley	33	Lincoln	33
Calhoun	33	Little River	33
Carroll	33	Logan	33
Chicot	33	Lonoke	33
Clark	33	Madison	33
Clay	33	Marion	33
Cleburne	33	Miller	33
Cleveland	33	Mississippi	33
Columbia	33	Monroe	33
Conway	33	Montgomery	33
Craighead	33	Nevada	33
Crawford	33	Newton	33
Crittendon	33	Ouachita	33
Cross	33	Perry	33
Dallas	33	Phillips	33
Desha	33	Pike	33
Drew	33	Poinsett	33
Faulkner	33	Polk	33
Franklin	33	Pope	33
Fulton	33	Prairie	33
Garland	33	Pulaski	31
Grant	33	Randolph	33
Greene	33	St. Francis	33
Hempstead	33	Saline	33
Hot Spring	33	Scott	33
Howard	33	Searcy	33
Independence	33	Sebastian	33
Izard	33	Sevier	33
		Sharp	33
		Stone	33
		Union	33
		Van Buren	33
		Washington	33
		White	33
		Woodruff	33
		Yell	33

**HORACE MANN INSURANCE COMPANY
DWELLING 77 PROGRAM
ARKANSAS**

2. PROTECTION CLASSIFICATION CODES AND INFORMATION

A. Reserved For Future Use

B. Protection Information

The protection class listing in the Public Protection Classifications section of the Property Manual also applies to risks insured under Dwelling Fire policies.

1. In a municipality or classified area where a single class of fire protection is available throughout (8, 7, 6, etc.) use the protection class indicated.
2. In a municipality or classified area where two fire protection classes are shown (example 6/9), properties within 5 road miles of the responding Fire Department and 1000 feet of a fire hydrant take the first class shown.

Properties within 5 road miles of a responding Fire Department but beyond 1000 feet of a fire hydrant take the second class shown.
3. All other properties are Class 10.

**HORACE MANN INSURANCE COMPANY
DWELLING 77 PROGRAM
ARKANSAS**

1. CONSTRUCTION DEFINITIONS

- A. Frame** – exterior wall of wood or other combustible construction, including wood-iron clad, stucco on wood or plaster on combustible supports.

Aluminum or plastic siding over frame.

- B. Masonry Veneer** – exterior walls of combustible construction veneered with brick or stone.

- C. Masonry** – exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roof of combustible construction (Disregarding floors resting directly on the ground).

D. Superior Construction

1. Non-Combustible – exterior walls and floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.
2. Masonry Non-Combustible – exterior walls constructed of masonry materials (as described in C. above) and floors and roof of metal or other non-combustible materials.
3. Fire Resistive – exterior walls and floors and roof constructed of masonry or other fire resistive materials.

NOTE: Mixed (Masonry/Frame) – a combination of both frame and masonry construction shall be classed and coded as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise class and code as masonry.

2. SEASONAL DWELLING DEFINITION

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period

3. SINGLE BUILDING DEFINITION

All buildings or sections of buildings which communicate through unprotected openings shall be considered as a single building.

Buildings which are separated by space shall be considered separate buildings.

Buildings or sections of buildings which are separated by an 8 inch masonry party wall which pierces or rises to the underside of the roof and which pierces or extends to the innerside of the exterior wall shall be considered separate buildings. Communication between buildings with independent walls or through masonry party walls described above shall be protected by at least a Class A Fire Door installed in a masonry wall section.

**HORACE MANN INSURANCE COMPANY
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PREMIUM SECTION

THE PREMIUM SECTION OF THIS MANUAL IS DIVIDED INTO FOUR PARTS:

PART I : BASE PREMIUM COMPUTATION – Consists of:

- Computation Instructions
- Key Premium/Key Factor display for Fire, Extended Coverage (DP-1), Broad Form (DP-2) and Special Form (DP-3)
- Vandalism and Malicious Mischief rates for \$1000
- Contingent Liability – Building Ordinance or Law Coverage Endorsement HO-277

PART II: ADJUSTED BASE PREMIUM COMPUTATION –

Consists of Rating Rules with premium adjustment factors that are applied to the Base Premium.

PART III: ADDITIONAL OR REDUCED PREMIUM COMPUTATION – Consists of Rating Rules for

increased limits and additional coverages not included in Parts I and II above.

PART IV: OTHER RATING PROVISIONS – Consists of other

premium related instructions.

PART I – BASE PREMIUM COMPUTATION

1. COMPUTATION INSTRUCTIONS

A. FIRE – DP-1, DP-2, and DP-3

Coverage A – Dwelling

Coverage C – Personal Property

1. From the Key Premium Chart, select the Key Premium that applies for:

- a. Owner or Non-Owner Occupied
- b. Seasonal or Non-seasonal
- c. Territory
- d. Protection Class
- e. Masonry or Frame Construction
- f. Number of Families
- g. Coverage A or C

2. Using the Key Factor Chart on the same page, determine the Key Factor for the desired limit of liability. If the limit of liability is shown in the chart, select the Key Factor for that limit.

If the desired limit of liability is not shown in the chart, use one of the following calculations.

- a. If the desired limit of liability is **less** than the highest limit shown, **interpolate** Key Factors shown for the nearest limit above and below the desired limit.

Example: \$25,500 policy limit, nearest limits are \$25,000 and \$26,000.

STEPS	PROCEDURE	EXAMPLE																						
1.	Find the Key Factors for the limits noted above.	<table><tr><th>Limits</th><th>Factors</th></tr><tr><td>\$26,000</td><td>1.33 - higher limit</td></tr><tr><td>25,000</td><td>1.30 - smaller limit</td></tr></table>	Limits	Factors	\$26,000	1.33 - higher limit	25,000	1.30 - smaller limit																
Limits	Factors																							
\$26,000	1.33 - higher limit																							
25,000	1.30 - smaller limit																							
2.	Subtract the smaller limit from the desired limit. This is the additional amount.	<table><tr><td>\$ 25,500 - desired limit</td></tr><tr><td>- 25,000 - smaller limit</td></tr><tr><td>\$ 500 - add'l amount</td></tr></table>	\$ 25,500 - desired limit	- 25,000 - smaller limit	\$ 500 - add'l amount																			
\$ 25,500 - desired limit																								
- 25,000 - smaller limit																								
\$ 500 - add'l amount																								
3.	Subtract the smaller limit from the higher limit. This is the amount of difference.	<table><tr><td>\$ 26,000 - higher limit</td></tr><tr><td>- 25,000 - smaller limit</td></tr><tr><td>\$ 1,000 - amt. difference</td></tr></table>	\$ 26,000 - higher limit	- 25,000 - smaller limit	\$ 1,000 - amt. difference																			
\$ 26,000 - higher limit																								
- 25,000 - smaller limit																								
\$ 1,000 - amt. difference																								
4.	Subtract the Key Factor for the smaller limit from the Key Factor for the higher limit. This is the Factor difference.	<table><tr><td>1.33 - higher limit Factor</td></tr><tr><td>- 1.30 - smaller limit Factor</td></tr><tr><td>.03 - Factor difference</td></tr></table>	1.33 - higher limit Factor	- 1.30 - smaller limit Factor	.03 - Factor difference																			
1.33 - higher limit Factor																								
- 1.30 - smaller limit Factor																								
.03 - Factor difference																								
5.	Determine the Factor for the additional amount by the following formula: <table><tr><td><u>add'l amt.</u></td><td>x</td><td>Factor diff.</td><td>=</td><td>Factor for</td></tr><tr><td>amt. difference</td><td></td><td></td><td></td><td>add'l amt.</td></tr></table>	<u>add'l amt.</u>	x	Factor diff.	=	Factor for	amt. difference				add'l amt.	<table><tr><td><u>\$ 500</u></td><td>x</td><td>.03</td><td>=</td><td>.015 (.02)</td><td>Key Factor for</td></tr><tr><td>\$ 1,000</td><td></td><td></td><td></td><td></td><td>add'l amount</td></tr></table>	<u>\$ 500</u>	x	.03	=	.015 (.02)	Key Factor for	\$ 1,000					add'l amount
<u>add'l amt.</u>	x	Factor diff.	=	Factor for																				
amt. difference				add'l amt.																				
<u>\$ 500</u>	x	.03	=	.015 (.02)	Key Factor for																			
\$ 1,000					add'l amount																			
6.	Add the Factor for the additional amount to the Factor for the smaller limit to obtain the Key Factor for the desired limit.	<table><tr><td>1.30 - smaller limit Factor</td></tr><tr><td>+ .02 - add'l amount Factor</td></tr><tr><td>1.32 - Key Factor for</td></tr><tr><td>desired limit</td></tr></table>	1.30 - smaller limit Factor	+ .02 - add'l amount Factor	1.32 - Key Factor for	desired limit																		
1.30 - smaller limit Factor																								
+ .02 - add'l amount Factor																								
1.32 - Key Factor for																								
desired limit																								

**HORACE MANN INSURANCE COMPANY
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PREMIUM SECTION

- b. If the desired limit of liability is **more** than the highest limit shown, determine the Key Factor for the desired limit as follows:

Example: \$56,400 policy limit.

STEPS	PROCEDURE	EXAMPLE
1.	Find the Key Factors for the highest limit and for each additional \$10,000.	2.05 - Factor for highest limit shown .30 - Factor for Ea. Add'l \$10,000
2.	Subtract the highest limit from the desired limit. This is the additional amount.	\$56,400 - desired limit - 50,000 - highest limit shown \$ 6,400 - add'l amount
3.	Determine the Factor for the additional amount by the following formula: $\frac{\text{add'l amt.}}{\$10,000} \times \text{Ea. Add'l } \$10,000 \text{ Factor} = \text{Factor for add'l amt.}$	$\frac{\$ 6,400}{\$ 10,000} \times .30 = .192(.19) \text{ Key Factor for add'l amount}$
4.	Add the Factors for the highest limit and additional amount to obtain the Key Factor for the desired limit.	2.05 - Factor for highest limit shown + .19 - Factor for add'l amount 2.24 - Key Factor for desired limit

3. Multiply the KEY PREMIUM by the KEY FACTOR and round to the nearest whole dollar to develop the BASE PREMIUM (\$0.50 or more rounded to the next higher whole dollar).

- B. E.C., BROAD OR SPECIAL FORM – DP-1, DP-2 or DP-3

Develop the BASE PREMIUM as described in 1.A. above.

- C. ADDITIONAL COVERAGE C ITEMS

When more than one Cov. C item in a policy applies to the premises of the insured, the premium for each additional Cov. C item shall be developed as noted below:

Cov. C. Key Premium times .13 Fire
.17 E.C. etc.
equal premium per \$1,000

- D. When Contingent Liability (Building Ordinance or Law Coverage Endorsement HO-277) applies, develop the BASE PREMIUM in accordance with the instructions provided in the rating rules shown in this section of the manual.

**HORACE MANN INSURANCE COMPANY
DWELLING 77 PROGRAM
ARKANSAS**

2. KEY PREMIUM/KEY FACTOR DISPLAY

A. FIRE

DP-1 DP-2 DP-3

COVERAGE A – DWELLING

COVERAGE C – PERSONAL PROPERTY

KEY PREMIUMS

OWNER-OCCUPIED

Non-Seasonal

& Seasonal

TERRITORY – ALL			Number of Families					
Prot. Class Φ	Const. *	Prem. Group No.	1		2		3 or 4	
			Cov.		Cov.		Cov.	
			A	C	A	C	A	C
1-3	M	1	54	24	59	24	86	31
	F	9	75	31	83	31	120	41
4	M	2	64	25	70	25	103	33
	F	10	84	34	93	34	134	44
5	M	3	75	28	83	28	120	36
	F	11	94	35	104	35	150	45
6	M	4	94	31	104	31	150	41
	F	12	111	40	123	40	178	53
7	M	5	144	43	159	43	230	55
	F	13	161	50	178	50	258	65
8	M	6	164	45	180	45	263	59
	F	14	203	59	223	59	324	76
9	M	7	185	53	204	53	296	69
	F	15	293	78	321	78	468	101
10	M	8	254	68	279	68	406	88
	F	16	384	96	423	96	614	125

Φ Refer to Protection Classification Codes and Information section of this manual.

* M = Masonry, F = Frame

Masonry Veneer is rated as masonry.

Aluminum of plastic siding over frame is rated as frame.

▲ Use this limit of liability to develop premiums for policy amounts less than \$1,000.

KEY FACTORS

Limit of Liability	Cov. A	Cov. C
\$1,000 ▲	.40	.35
2,000	.45	.48
3,000	.50	.61
4,000	.55	.74
5,000	.60	.87
6,000	.65	1.00
7,000	.70	1.13
8,000	.75	1.26
9,000	.80	1.39
10,000	.85	1.52
11,000	.88	1.65
12,000	.91	1.78
13,000	.94	1.91
14,000	.97	2.04
15,000	1.00	2.17
16,000	1.03	2.30
17,000	1.06	2.43
18,000	1.09	2.56
19,000	1.12	2.69
20,000	1.15	2.82
21,000	1.18	2.95
22,000	1.21	3.08
23,000	1.24	3.21
24,000	1.27	3.34
25,000	1.30	3.47
26,000	1.33	3.60
27,000	1.36	3.73
28,000	1.39	3.86
29,000	1.42	3.99
30,000	1.45	4.12
31,000	1.48	4.25
32,000	1.51	4.38
33,000	1.54	4.51
34,000	1.57	4.64
35,000	1.60	4.77
36,000	1.63	4.90
37,000	1.66	5.03
38,000	1.69	5.16
39,000	1.72	5.29
40,000	1.75	5.42
41,000	1.78	5.55
42,000	1.81	5.68
43,000	1.84	5.81
44,000	1.87	5.94
45,000	1.90	6.07
46,000	1.93	6.20
47,000	1.96	6.33
48,000	1.99	6.46
49,000	2.02	6.59
50,000	2.05	6.72
Each Add'l \$10,000	.30	1.30

**HORACE MANN INSURANCE COMPANY
DWELLING 77 PROGRAM
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2. KEY PREMIUM/KEY FACTOR DISPLAY

A. FIRE

DP-1 DP-2 DP-3

COVERAGE A – DWELLING

COVERAGE C – PERSONAL PROPERTY

KEY PREMIUMS

NON-OWNER-OCCUPIED

Non-Seasonal			& Seasonal					
TERRITORY – ALL			Number of Families					
Prot. Class Φ	Const. *	Prem. Group No.	1		2		3 or 4	
			Cov.		Cov.		Cov.	
			A	C	A	C	A	C
1-3	M	1	68	24	74	24	108	31
	F	9	94	31	104	31	150	41
4	M	2	80	25	88	25	128	33
	F	10	105	34	115	34	168	44
5	M	3	94	28	104	28	150	36
	F	11	118	35	129	35	188	45
6	M	4	118	31	129	31	188	41
	F	12	139	40	153	40	223	53
7	M	5	180	43	198	43	288	55
	F	13	201	50	221	50	323	65
8	M	6	205	45	225	45	328	59
	F	14	254	59	279	59	406	76
9	M	7	231	53	255	53	370	69
	F	15	366	78	403	78	586	101
10	M	8	318	68	349	68	508	88
	F	16	480	96	528	96	768	125

Φ Refer to Protection Classification Codes and Information section of this manual.

* M = Masonry, F = Frame

Masonry Veneer is rated as masonry.

Aluminum of plastic siding over frame is rated as frame.

▲ Use this limit of liability to develop premiums for policy amounts less than \$1,000.

KEY FACTORS

Limit of Liability	Cov. A	Cov. C
\$1,000 ▲	.40	.35
2,000	.45	.48
3,000	.50	.61
4,000	.55	.74
5,000	.60	.87
6,000	.65	1.00
7,000	.70	1.13
8,000	.75	1.26
9,000	.80	1.39
10,000	.85	1.52
11,000	.88	1.65
12,000	.91	1.78
13,000	.94	1.91
14,000	.97	2.04
15,000	1.00	2.17
16,000	1.03	2.30
17,000	1.06	2.43
18,000	1.09	2.56
19,000	1.12	2.69
20,000	1.15	2.82
21,000	1.18	2.95
22,000	1.21	3.08
23,000	1.24	3.21
24,000	1.27	3.34
25,000	1.30	3.47
26,000	1.33	3.60
27,000	1.36	3.73
28,000	1.39	3.86
29,000	1.42	3.99
30,000	1.45	4.12
31,000	1.48	4.25
32,000	1.51	4.38
33,000	1.54	4.51
34,000	1.57	4.64
35,000	1.60	4.77
36,000	1.63	4.90
37,000	1.66	5.03
38,000	1.69	5.16
39,000	1.72	5.29
40,000	1.75	5.42
41,000	1.78	5.55
42,000	1.81	5.68
43,000	1.84	5.81
44,000	1.87	5.94
45,000	1.90	6.07
46,000	1.93	6.20
47,000	1.96	6.33
48,000	1.99	6.46
49,000	2.02	6.59
50,000	2.05	6.72
Each Add'l \$10,000	.30	1.30

**HORACE MANN INSURANCE COMPANY
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2. KEY PREMIUM/KEY FACTOR DISPLAY

**B. EXTENDED COVERAGE DP-1
BROAD OR SPECIAL FORM DP-2 or DP-3**

**COVERAGE A – DWELLING
COVERAGE C – PERSONAL PROPERTY**

KEY PREMIUMS *

Territory	Prem. Gp No.	COVERAGE A			COVERAGE C	
		DP-1	DP-2	DP-3	DP-1	DP-2 or 3
ALL	1	51	61	66	6	8

***Rating Notes**

- DP-1 Key Premiums are Non-Seasonal and Seasonal.
- DP-2 and 3 Key Premiums are Non-Seasonal only and include the charge for E.C. and V.&M.M. perils. To develop the Seasonal BASE PREMIUM, multiply the following factors by the DP-1 E.C. BASE Premium:

	<u>DP-2</u>	<u>DP-3</u>
Cov. A	1.40	1.50
Cov C	1.55	1.55

- The Cov. C. minimum limit is \$4,000 unless included in the same policy Cov. A.

▲ Use this limit of liability to develop premiums for policy amounts less than \$1,000.

KEY FACTORS

Limit of Liability	Cov. A	Cov. C
\$1,000 ▲	.24	.17
2,000	.29	.33
3,000	.34	.50
4,000	.40	.67
5,000	.45	.83
6,000	.51	1.00
7,000	.56	1.17
8,000	.62	1.34
9,000	.67	1.50
10,000	.72	1.67
11,000	.78	1.84
12,000	.83	2.00
13,000	.89	2.17
14,000	.94	2.33
15,000	1.00	2.50
16,000	1.05	2.67
17,000	1.10	2.84
18,000	1.16	3.00
19,000	1.21	3.17
20,000	1.27	3.34
21,000	1.32	3.51
22,000	1.37	3.67
23,000	1.43	3.84
24,000	1.48	4.00
25,000	1.54	4.17
26,000	1.59	4.34
27,000	1.64	4.51
28,000	1.69	4.68
29,000	1.74	4.85
30,000	1.79	5.02
31,000	1.84	5.19
32,000	1.89	5.36
33,000	1.94	5.53
34,000	1.99	5.70
35,000	2.04	5.87
36,000	2.09	6.04
37,000	2.14	6.21
38,000	2.19	6.38
39,000	2.24	6.55
40,000	2.29	6.72
41,000	2.34	6.89
42,000	2.39	7.06
43,000	2.44	7.23
44,000	2.49	7.40
45,000	2.54	7.57
46,000	2.59	7.74
47,000	2.64	7.91
48,000	2.69	8.08
49,000	2.74	8.25
50,000	2.79	8.42
Each Add'l \$10,000	.50	1.70

**HORACE MANN INSURANCE COMPANY
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3. RESERVED FOR FUTURE USE

5. CONTINGENT LIABILITY – DP-1, 2 or 3

The policy may be endorsed to provide coverage for contingent liability due to the operation of building laws.

To develop the BASE PREMIUM:

4. VANDALISM & MALICIOUS MISCHIEF – DP-1

Premium per \$1,000

Not Seasonal & Not <u>Vacant</u>	Seasonal & <u>Not Vacant</u>	<u>Vacant</u>	In Course of <u>Construction</u>
\$.12	\$.60	\$9.80	\$.12

1. Multiply the factor 1.20 by the premium computed in 2. below.
2. Coverage A Key Premium times the Key Factor for the Coverage A amount of insurance that is equal to at least 80% of the sum of:
 - a. the full replacement cost of the dwelling; and if desired,
 - b. the amount of insurance necessary to cover the cost of increased construction and demolition.

Use HO-277 Building Ordinance or Law Coverage.

**HORACE MANN INSURANCE COMPANY
DWELLING 77 PROGRAM
ARKANSAS**

PART II – ADJUSTED BASE PREMIUM COMPUTATION

1. RESERVED FOR FUTURE USE

4. RESERVED FOR FUTURE USE

2. TOWNHOUSE OR ROW HOUSE – ALL FORMS

Determine the total number of individual family units within a Fire Division. For example, a 2 family dwelling attached to a 1 family dwelling are considered 3 individual family units within a Fire Division if both dwellings are not separated by a fire wall. Four attached 2 family dwellings are considered 8 individual family units within a Fire Division if they are not separated by fire walls.

A Dwelling Policy may be issued for:

Coverage A when the dwelling contains 1, 2, 3 or 4 individual family units within a Fire Division.

Coverage C in a dwelling with 1 or more individual family units within a Fire Division.

Premium:

No. of Indiv. Family Units	Use Cov. A or C BASE PREMIUM for
1, 2, 3 or 4	1, 2, 3 or 4 families

3. SUPERIOR CONSTRUCTION – ALL FORMS

Refer to the Construction Definition page in this manual for details.

For E.C. rating purposes a dwelling classified as:

- Fire Resistive is considered Wind Resistive
- Masonry Non-Combustible is considered Semi-Wind Resistive

Premium:

Multiply the Masonry BASE PREMIUM by the appropriate factor noted below:

	Fire	E.C., Broad & Special Forms
Fire Resistive & Masonry Non-Comb.	.50	.50
Non-Combustible	.50	1.00

5. DEDUCTIBLES – ALL FORMS

All Dwelling Policies are subject to a deductible that applies to loss from all perils covered under the policy on an occurrence basis.

Enter the deductible amount selected in the Deductible Declarations of the policy.

When a separate deductible amount applies to a certain peril such as Windstorm or Hail, also enter that deductible amount and peril in the Deductible Declarations.

A. \$100 Deductible

This is the Base Deductible amount.

B. \$250 Deductible

\$500 Deductible

\$1000 Deductible

\$2500 Deductible

Multiply the BASE PREMIUM by the following factors:

	Fire	E.C., V.&M.M. and Broad & Special Forms
\$250	.97	.85
\$500	.95	.75
\$1,000	.93	.60
\$2,500	.86	.50

**HORACE MANN INSURANCE COMPANY
DWELLING 77 PROGRAM
ARKANSAS**

6. AUTOMATIC INCREASE IN INSURANCE – DP-1, 2 or 3

8. RESERVED FOR FUTURE USE

Coverage may be provided for adjustments in the limit of liability for property coverages to track with the building cost indices. The dwelling shall be insured to at least 100% of the market value.

Use CC-HO6022

7. DWELLING UNDER CONSTRUCTION – ALL FORMS

Two methods are provided for insuring this exposure.

A. Named Insured Is The Intended Occupant

A builder (contractor) may be designated as an additional insured. Pro rata cancellation permitted upon completion of the dwelling.

Use DP 00 43

B. Named Insured Is Not Intended Occupant

Policy shall specify building is in course of construction and permission is granted to complete.

Premium:

- A. Coverage A Owner Occupied BASE PREMIUM times .65
- B. Coverage A Non-Owner Occupied BASE PREMIUM times 1.00

**HORACE MANN INSURANCE COMPANY
DWELLING 77 PROGRAM
ARKANSAS**

PART III – ADDITIONAL OR REDUCED PREMIUM COMPUTATION

1. COVERAGE B – OTHER STRUCTURES – ALL FORMS

Coverage is provided in the forms on a blanket basis as noted in **A.** below.

Coverage may be provided for specific structures as a specific item for an additional premium. See **B.** below.

Windstorm or Hail coverage for Awnings, Signs and Outdoor Radio and Television Equipment is not provided in the forms. It may be provided for an additional premium. See **C.** below.

A. Blanket Coverage

DP-1 – Up to 10% of Cov. A limit is available. Use of this option, however, reduces the Cov. A limit for the same loss.

DP-2 or DP-3 – Up to 10% of the Cov. A limit is available as additional insurance. The Cov. A limit is not reduced by use of this option.

The blanket limit may not be increased.

B. Specific Structure Coverage

Enter the limit of liability and description of each structure in the Coverage Declarations of the policy at inception or by DP 00 10 General Endorsement or its equivalent after policy inception.

Premium:

1. Policy includes Cov. A

• **Fire, E.C., Broad and Special Forms**

Cov. A., 1 Family Key Premium (same territory, protection & construction as the dwelling) times
DP-1, 2 or 3

Fire .03

E.C., etc. .05

equals Cov. B premium per \$1,000

• **V.&M.M. (DP-1)**

Use V.&M.M. premium per \$1,000

2. Policy does not include Cov. A or Structure has permitted business occupancy or Structure is not at same described location as the dwelling.

• **Fire, E.C., Broad and Special Forms**

Cov. A., 1 Family Key Premium (for territory, protection & construction applying to structure)
times Cov. A Key Factor for limit applying to each structure **equals** premium for the structure.

• **V.&M.M. (DP-1)**

Use V.&M.M. premium per \$1,000

C. Windstorm or Hail – Awnings, Signs, Outdoor Radio and Television Equipment

Premium: \$50.00 per \$1,000

Use DP 00 19

- D. Structures Rented to Others** for dwelling purposes are covered and rated as separate Coverage A – Dwellings (Non-Owner Occupied).

**2. COVERAGE D – FAIR RENTAL VALUE
COVERAGE E – ADDITIONAL LIVING EXPENSE
ALL FORMS**

- A.** Coverage is provided in the forms on a limited basis as follows:

DP-1

Coverage D – up to 10% of the Cov. A limit is available. Use of this option reduces the Cov. A limit for the same loss.

Coverage E – not automatically included in form. It may be provided as noted in **B.** below.

DP-2 or 3

10% of the Cov. A limit for Cov. D and Cov. E combined is available as additional insurance. The Cov. A limit is not reduced for the same loss.

- B.** Coverage may be increased or added as follows:
ALL FORMS

Coverage D – enter amount added, in policy declarations at inception or in DP 00 10 – General End. after inception.

Show a monthly limitation equal to the fraction of:

$$\frac{1}{\text{\# of mos. dwelling rented per year}}$$

in the policy, change endorsement or declarations.

Coverage E – enter initial limit (DP-1) or added amount (DP-2 or 3), in policy declarations at inception or in DP 00 10 – General End. after inception.

Always show “up to 25% per month” in the policy or end. declarations.

Use DP 00 14 for DP-1

- C.** Premium:

1. Policy includes Cov. A or Cov. C (1-4 family dwg.)

a. Fire, E.C., Broad and Special Forms

Cov. A Key Premium times

DP-1, 2 or 3

Fire .03

E.C., etc. .05

equals premium per \$1,000

b. V.&M.M. (DP-1)

Use V.&M.M. premium per \$1,000

2. Policy does not include Cov. A or Cov. C (1-4 family dwg.)

a. Fire, E.C., Broad and Special Forms

Cov. A Key Premium times the Cov. A Key Factor

• for the Cov. D limit times .53 or

• for the Cov. E limit times 1.00

equals premium for this coverage

**HORACE MANN INSURANCE COMPANY
DWELLING 77 PROGRAM
ARKANSAS**

b. V.&M.M. (DP-1)

Use V.&M.M. premium per \$1,000.

3. Reserved for Future Use

6. FIRE DEPARTMENT SERVICE CHARGE – DP-1, 2 or 3

Coverage is available as an option.

Premium: \$2.00 per \$100

Use DP 00 12

7. RESERVED FOR FUTURE USE

3. IMPROVEMENTS, ALTERATIONS AND ADDITIONS

A. Tenant – Coverage is provided in the forms as follows:

DP-1 – Up to 10% of the Cov. C limit is available. Use of this option, however, reduces the Coverage C limit for the same loss.

DP-2 or DP-3 – 10% of the Coverage C is available as additional insurance. The Cov. C limit is not reduced by use of this option.

B. Condominium Unit-Owner – Coverage is not provided in the forms.

C. Use Endorsement DP 00 31 to increase the limit for a tenant or provide coverage for a condominium unit-owner.

D. Premium:

**Fire, E.C.,
Broad and Special Forms**

**V.&M.M.
(DP-1)**

Cov. C. Key Premium
times .13 Fire
.17 E.C., etc.
equals premium per \$1,000

Use V.&M.M.
premium
per \$1,000

4. RESERVED FOR FUTURE USE

5. RESERVED FOR FUTURE USE

8. PLANTS, SHRUBS AND TREES – DP-1, 2 or 3

DP-1 – Coverage is not provided in this form. It is available for an additional premium as noted in **A.**, **B.** and **C.** below.

Use DP 00 17

DP-2 or 3 – Up to 5% of the Cov. A limit is available (subject to a \$250 per item maximum) for all insured perils except Windstorm or Hail.

Coverage for Windstorm or Hail is available for an additional premium as noted in **C.** below.

Use DP 00 18 Windstorm or Hail

Premium:

A. Fire, E.C., (except Windstorm or Hail) – DP-1 only.

Cov. A Key Premium times .03 Fire
.05 E.C.
equals premium per \$1,000

B. V.&M.M. – DP-1 only

Use V.&M.M. premium per \$1,000

C. Windstorm or Hail – DP-1, 2 or 3

DP-1 \$50.00 per \$1,000 times limit selected

DP-2 \$50.00 per \$1,000 times an amount

DP-3 equal to 5% of the Cov. A limit

**HORACE MANN INSURANCE COMPANY
DWELLING 77 PROGRAM
ARKANSAS**

9. EARTHQUAKE AND VOLCANIC ERUPTION - DP-1, 2 or 3

Rates per \$1,000 of Insurance

- A.** When added to the Fire Policy, this peril shall apply to the same coverages that apply to the peril of Fire. Coverage is provided on a percentage basis; that is, the coverage will be a percentage of the current Coverages A amount - 100% of the Coverage A amount for Coverage A losses, 10% for Coverage B losses, 30% for Coverage C losses, 10% for Coverage D losses and 10% for Coverage E losses.

A deductible of 10%, 15% or 25% of the policy limit, subject to a \$250 minimum, will apply separately per occurrence to loss under Coverage A, B and C. There is no deductible for loss under Coverage D or E. Not all deductibles are available in all counties. See State Rate Pages.

Attach Endorsement CC-F06AR1(10-96)

A deductible of 2% of the policy limit, subject to a \$250 minimum, applies. For other deductibles, refer to Company.

Premium:

Develop the premium as follows:

- (a) Determine the Earthquake Zone
- (b) Select the rate(s) per \$1,000 according to construction
- (c) Apply the rate(s) to the amount of insurance for Coverage A

ZONE A

FRAME	10% Ded.	15% Ded.	25% Ded.
ALL OTHER	\$0.45	\$0.32	\$0.90
	\$0.90	\$0.64	

ZONE B

FRAME	10% Ded.	15% Ded.	25% Ded.
ALL OTHER	\$0.22	\$0.18	\$0.13
	\$0.44	\$0.36	\$0.26

10. CONDITIONS CHARGES

Apply when building or addition has metal stovepipes, plain tile, terra cotta, brick-on-edge, concrete or concrete block blue less than 4 inches in thickness, through combustible floors, ceilings, partitions, windows, roof or side of building.

Premium:

The sum of:

- A.** The Fire BASE PREMIUM for each Dwelling building or addition, plus
- B.** \$2.40 per \$1,000 of insurance.

NOTE 1: No change should be made for type "B" vent pipes from domestic appliances using artificial or natural gas or for flues or vent pipes described above from domestic type gas-burning appliances with approved down-draft diverters.

NOTE 2: A type "B" vent is one listed by Underwriters' Laboratories as approved with domestic type appliances.

**HORACE MANN INSURANCE COMPANY
DWELLING 77 PROGRAM
ARKANSAS**

PART IV – OTHER RATING PROVISIONS

1. MINIMUM PREMIUM

- A.** Prepaid Policies: A minimum of not less than \$50 must be charged for each policy.
- B.** Reserved For Future Use
- C.** The \$50 minimum premium may include all chargeable endorsements or coverages for Fire and Allied Lines if attached at inception of the policy. When such endorsement or coverages are attached after inception of the policy, the charge for each shall apply in accordance with the minimum premium rule for the endorsement.

2. RESERVED FOR FUTURE USE

3. MULTIPLE POLICIES

- A.** Insurance may be provided on the same property under two or more Dwelling policies in one or more companies as follows:
 - 1. the same Dwelling Form and Endorsement must apply to all policies.
 - 2. the same deductible amount must apply to all policies.

Use DP 00 30 Premium Sharing – Two or More Policies

B. PREMIUM

The premium for each policy is developed as follows:

- 1. Compute the premium for the total limits of liability from the manual of the company issuing each policy.
- 2. Allocate the premium determined in B.1. above based on the ratio of each policy's limit of liability to the total limits of liability for all policies.

Example (two policies – two companies)

\$50,000 Coverage A Limit (Premium shown are for illustration only and are not actual premiums.)

Each Company's:		
Percentage Share	Company A	Company B
	80%	20%
Premium for \$50,000 Cov. A	\$240	\$200
Each Company's Policy Premium	\$192 (80% of \$240)	\$40 (20% of \$200)
Total Policy Premium	\$232 (\$192 + \$40)	

4. WAIVER OF PREMIUM

When a policy is endorsed subsequent to the inception date, any additional or return premium of \$3.00 or less may be waived, except that a return premium of less than \$3.00 shall be returned to the insured upon request.

5. RESERVED FOR FUTURE USE

6. WHOLE DOLLAR PREMIUM RULE

All premiums shown on the policy and endorsement shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

7. NON-SUFFICIENT FUNDS FEE

\$25 per occurrence

SERFF Tracking Number: HRMN-125286963 State: Arkansas
First Filing Company: Horace Mann Insurance Company, ... State Tracking Number: AR-PC-07-026068
Company Tracking Number: AR MOHO REMOVAL
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: AR Mobile Homeowner Removal Filing
Project Name/Number: Homeowners/AR MoHo Removal

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Filed 09/14/2007

Comments:

Attachment:

AR MOHO Removal Transmittal Document.pdf

Satisfied -Name: Cover Letter **Review Status:** Filed 09/14/2007

Comments:

Attachment:

AR MOHO Removal Cover Letter.pdf

Satisfied -Name: MOHO Removal Filing **Review Status:** Filed 09/14/2007

Comments:

Attachment:

AR MOHO Removal Filing.pdf

Property & Casualty Transmittal Document (Revised 1/1/06)

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3. Group Name	Group NAIC #
Horace Mann Educators	300

4. Company Name(s)	Domicile	NAIC #	FEIN #
Horace Mann Insurance Company	IL	300-22578	59-1027412
Teachers Insurance Company	IL	300-22683	23-1742051

5. Company Tracking Number	AR MoHo Removal
-----------------------------------	------------------------

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Melinda Ballard 1 Horace Mann Plaza Springfield, IL 62715	Implementation Analyst	877-272-0040 options 9, 3	217-535-7171	melinda.ballard@horacemann.com

7. Signature of authorized filer	<i>Melinda Ballard</i>
8. Please print name of authorized filer	Melinda Ballard

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	04.0 Homeowners
10. Sub-Type of Insurance (Sub-TOI)	04.0003 Owner Occupied Homeowners
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	N/A
12. Company Program Title (Marketing title)	N/A
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input checked="" type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other
14. Effective Date(s) Requested	New: 10/01/2007 Renewal: 10/01/2007
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	N/A
17. Reference Organization # & Title	N/A
18. Company's Date of Filing	09/12/2007

19. Status of filing in domicile☒ Not Filed ☐ Pending ☐ Authorized ☐ Disapproved**Property & Casualty Transmittal Document—****20. This filing transmittal is part of Company Tracking #**

AR MoHo Removal

21. Filing Description [This area should be similar to the body of a cover letter and is free-form text]

Horace Mann Insurance Company and Teachers Insurance Company submit for your review a homeowner rule filing.

In October 2006, we began to move all mobile homeowner policies in the state of Arkansas to Foremost Insurance Group. A year has now passed, and all policies have been moved. With this filing, we are removing all references to mobile homeowners from our homeowner rules, homeowner rates, and dwelling fire manual pages in the interest of clarity.

The effective date of this filing is October 1, 2007.

22. Filing Fees (Filer must provide check # and fee amount if applicable)

[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: 7700185802**Amount:** \$100.00

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**



Horace Mann

Educated Financial Solutions

Retirement Annuities and Life, Auto,
Homeowners and Group Insurance

September 12, 2007

Arkansas Insurance Department
Property & Casualty Division
1200 West 3rd Street
Little Rock, AR 72201-1904

Attention: Julie Benafield Bowman
Commissioner of Insurance

Subject: Horace Mann Insurance Company
Teachers Insurance Company
Homeowner Program
Rule Filing

NAIC # 300-22578

NAIC # 300-22683

Dear Commissioner Benafield Bowman,

Horace Mann Insurance Company and Teachers Insurance Company submit for your review the above noted homeowner rule filing.

In October 2006, we began to move all mobile homeowner policies in the state of Arkansas to Foremost Insurance Group. A year has now passed, and all policies have been moved. With this filing, we are removing all references to mobile homeowners from our homeowner rules, homeowner rates, and dwelling fire manual pages in the interest of clarity.

The effective date of this filing is October 1, 2007.

Thank you for your attention to this matter. If I can be of further assistance or if you have any questions, please call me toll free at 877-272-0040, options 9 and 3. If you prefer e-mail, my address is melinda.ballard@horacemann.com.

Sincerely,

Melinda Ballard

Melinda Ballard
Implementation Analyst
Property & Casualty Division
Horace Mann Insurance Company
Teachers Insurance Company

**Horace Mann Insurance Company
Teachers Insurance Company
Arkansas
Homeowners & Dwelling Fire
Filing Memorandum**

Effective 10/1/2006, we began moving all Mobile Homeowner policies in Arkansas to Foremost Insurance Group. Now that a year's time has passed, all policies have been moved, and in the interest of clarity, we have decided to remove all references to Mobile Homeowners from our Homeowner Rules, Homeowner Rates and Dwelling Fire manual pages. Attached for your review are the revised pages with 10/1/2007 effective dates.

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

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Additional Coverage Endorsement	16	7.15
Additional Interests	6	3.4
Additional Living Expense	14	7.7
Additional Locations	18	9.0
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**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

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**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

RULE 1. ELIGIBILITY

1.1 Owner Occupied

A policy may be issued to an owner-occupant of a dwelling used only for private residential purposes and occupied by no more than four families and no more than two boarders or roomers per family

Use Form 1, 2, 3

1.2 Tenant Occupied

A policy may be issued to the tenant (non-owner) of a dwelling or apartment if the residence occupied by the insured is used only for residential purposes and is occupied by no more than one additional family or two boarders or roomers.

Use Form 4

1.3 Condominiums

A policy may be issued to the owner of a condominium unit if the residence occupied by the insured is used only for residential purposes and is occupied by no more than one additional family or two boarders or roomers.

Use Form 4 and HM-31

1.4 Co-owner Occupancy

A policy may be issued to one of the co-owners provided each occupies separate apartments within the dwelling.

Use Form 1, 2, 3

A Form 4 policy may be issued to the other co-owner(s).

1.5 Dwellings Under Construction

A policy may be issued to cover the interest of the intended owner-occupant of a dwelling under construction.

Use Form 1 for estimated completed value.

1.6 Seasonal Dwellings

A policy may be issued to cover a seasonal dwelling.

Use Form 1. If other form, refer to Company.

1.7 Ineligible Occupancies

The following are ineligible for coverage under this manual:

- Property to which dwelling fire forms or rates apply.

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

RULE 2. PROGRAM DESCRIPTION

The following is a general description of the coverages provided by the Homeowner forms.
The policy forms state the complete conditions.

2.1 Property Coverages - Property (Mandatory)

Coverage A - Residence
Coverage B - Private Structures
Coverage C - Personal Property
Coverage D - Additional Living Costs and Loss of Rent

2.1.1 Forms 1 and 2 cover the residence, private structures, personal property and additional living costs against losses resulting from the perils indicated below.

	<u>Form 1</u>	<u>Form 2</u>
Fire or Lightning.....	X	X
Windstorm or Hail	X	X
Explosion	X	X
Riot or Civil Commotion	X	X
Aircraft	X	X
Vehicles	X	X
Smoke	X	X
Vandalism.....	X	X
Glass Breakage	X	X
Theft	X	X
Falling Objects.....		X
Weight of Ice, Snow or Sleet		X
Collapse of Building		X
Sudden and Accidental Tearing Apart, Burning or Bulging		X
Accidental Discharge of Liquids or Steam		X
Freezing		X
Sudden and Accidental Damage from Electrical Currents		X

2.1.2 Form 3 cover the residence, private structures and additional living costs against all physical loss, with certain exceptions. Personal property is covered for the perils shown for Form 2.

2.1.3 Form 4 covers personal property including the insured's interest in building additions and improvements and additional living expense against loss by the perils shown for Form 2.

2.1.4 Actual Cash Value - Forms 1, 2, 3

The loss settlement provision for a homeowner policy can be amended to settle losses on an actual cash value basis rather than replacement cost.
The additional charge is shown in the State Rate pages.

Attach Endorsement ML-15

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2.2 Liability Coverages - Liability (Mandatory)

Personal Liability - Pays on behalf of the insured for damages due to bodily injury or property damage caused by an occurrence related to the insured's premises or personal activities.

Medical Payments to Others - Pays medical expenses incurred by persons, who are not insureds, if the bodily injury occurs in connection with the insured's premises or personal activities.

2.3 Package Policy Requirements

For the **Homeowner Policy**, the recommended minimum limits of liability are as follows:

<u>Property Coverages</u>	<u>Form 1</u>	<u>Form 2</u>	<u>Form 3</u>	<u>Tenant Form 4</u>	<u>Condo Form 6</u>
Residence	\$25,000	\$50,000	\$50,000		
Private Structures	10% of lim. on res.	10% of lim. on res.	10% of lim. on res.		
Personal Property	50%* of lim. on res.	50%* of lim. on res.	60%* of lim. on res.	\$12,000	\$18,000
Additional Living Costs	10%** of lim. on res.	20%+ of lim. on res.	60%+ of lim. on res.	20% of lim. on personal property	40% of lim. on personal property

* 30% for dwellings occupied by three or four families

** 5% for dwellings occupied by three or four families

+ 10% for dwellings occupied by three or four families

<u>Liability Coverages</u>	<u>Forms 1,2,3,4,6</u>
Personal Liability	\$25,000 each occurrence
Medical Payments to Others	\$ 500 each person \$25,000 each accident

RULE 3. POLICY WRITING INSTRUCTIONS

3.1 Inception Time

The policy will take effect at 12:01 a.m.

Show time on Declarations Page

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3.2 Annual Policy Term

Policies are written for annual terms only.

3.3 Continuous Renewal Plan

The policy may be continued for successive terms by payment of the required premium.

Attach Endorsement CC-H10001

3.4 Additional Interests

The policy may cover the interests of additional owners at no additional premium. This coverage is limited to the building and premises liability.

Attach Endorsement HM-41

3.5 Transfer or Assignment

The Policy may be endorsed to effect transfer to another location within the same state (Form 4 only). Assignment of coverage from one insured to another is not allowed. A new application is required.

3.6 Restriction of Coverage

If a policy would not be issued because of unusual exposures, the applicant may request a restriction of coverage at no reduction of premium. The request, signed by the applicant, must be referred to company.

3.7 Cancellation or Reductions in Limits of Liability or Coverages

Mandatory coverages may not be cancelled unless the entire policy is cancelled.

The policy must be cancelled in accordance with the terms of applicable cancellation provisions.

If the policy or non-mandatory coverages are cancelled or the amount of insurance is reduced:

- By the company; or
In the event of foreclosure of the mortgage on the insured real property; or
In the event of relocation if a Company policy is issued at new location; or
In the event of the sale of property if other properties are insured by the Company:

Compute return premium pro rata.

- By the insured:

Compute return premium at 84% of the pro rata unearned premium.

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RULE 4. PREMIUM DETERMINATION

Annual premiums and rates are shown in the State Rate Pages. The basic policy premiums are for property and liability coverages.

4.1 Calculation of Premium

Any computations for additional coverages or additional amounts of insurance are to be rounded separately to the nearest dollar. Fifty cents or more is to be considered as a dollar.

The premium is computed as follows:

- 4.1.1** Determine the base premium by using the rate pages.
- 4.1.2** Add to 4.1.1 any townhouse/row house charge (if applicable).
- 4.1.3** If Actual Cash Value policy, increase 4.1.1 as shown in rate pages.
- 4.1.4** The condominium discount is applied to 4.1.3 (if applicable).
- 4.1.5** The premium from 4.1.3 should then be adjusted for any revised limit of Coverage C (except Tenants and Condominiums).
- 4.1.6** The proper charge or credit for deductible is applied to the premium from 4.1.5. (This is the basic premium.)
- 4.1.7** The Year of Construction Factor is applied to the premium from 4.1.6 (if applicable). The dollar amount is applied to the 4.1.18 premium.
- 4.1.8** The Protective Device Credit is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.18 premium.
- 4.1.9** The Multi-Line Discount is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.18 premium.
- 4.1.10** The Claim Record/Persistency Rating Plan is applied to the premium from 4.1.6 (if applicable). The dollar amount is applied to the 4.1.18 premium.
- 4.1.11** The Federal Flood Insurance Program Credit is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.18 premium.
- 4.1.12** The Home-Buyer Loyalty Credit is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.18 premium.
- 4.1.13** The Inflation Guard credit is applied to the premium from 4.1.6 (if applicable). The dollar amount of credit is subtracted from the 4.1.18 premium.

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- 4.1.14** The charge for replacement cost on contents is applied to the premium from 4.1.13 (if applicable). The dollar amount is applied to the 4.1.18 premium.
- 4.1.15** The Roof Surfacing Surcharge is applied to the premium from 4.1.13 (if applicable). The dollar amount is applied to the 4.1.18 premium.
- 4.1.16** The Woodburning Device Surcharge is applied to the premium from 4.1.14 (if applicable). The dollar amount is applied to the 4.1.18 premium.
- 4.1.17** Apply credit or charge for Modified Replacement Cost as stated in rate pages to premium from 4.1.15 (if applicable).
- 4.1.18** Add the additional premium for all mandatory or optional property coverages and all mandatory or optional liability coverages.
- 4.1.19** Apply the credit level factor to the premium from 4.1.18.
- 4.1.20** Add the installment fee amount when applicable.

4.2 Changes in Liability Limits

Liability coverage limits may be increased or decreased. The premiums are shown in the State Rate Pages.

4.3 Other Liability Exposures

Liability coverage for the following exposures is required if they exist. The additional premium is shown in the State Rate Pages.

- 4.3.1** Three or four family dwellings
- 4.3.2** All additional or secondary residence premises where the named insured or spouse maintains a residence, other than business or farm properties.
- 4.3.3** All residence employees of the named insured or spouse not covered or not required to be covered by workers' compensation insurance. A charge is required for residence employees in excess of two.
- 4.3.4** Incidental office, professional, private school or studio occupancies by the named insured on residential premises of the named insured. Refer to Rule 8.4.

4.4 Mid-term Changes

- 4.4.1** The limits of liability may be changed or coverages added or deleted during the policy term. Compute the premium on a pro rata basis using the same rates in effect when the current policy premiums were calculated.

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4.4.2 Changes which result in return or additional premium of \$3 or less will not be billed or returned to the insured unless requested in writing.

4.5 Specifically Rated Dwellings - Forms 1, 2, 3

The premium for specifically rated dwellings of fire resistive or fireproof construction is 85% of the applicable brick or masonry premium.

The applicable fire and extended coverage rates shall be used for other specifically rated dwellings when written under a homeowner policy.

4.6 Row and Townhouses

The premium for an eligible one or two family owner-occupied dwelling in a townhouse or row house is determined as shown in the State Rate Pages.

An eligible two family owner-occupied dwelling is considered two individual units when determining the number of family units within a fire division.

4.7 Reserved for Future Use

4.8 Payment Plans

A payment plan is available if:

a. the policy meets minimum premium requirements listed below:

<u>Plan</u>	<u>Minimum Premium</u>
Full	None
Two Pay	\$100
Three Pay	\$200
Four Pay	\$300

b. the policy is not a mortgagee pay policy.

Refer to State Rate pages for installment fees.

4.9 Non-Sufficient Funds

Policyholders' checks for payment of premium that are returned due to non-sufficient funds (NSF) in the account from which the check was written will result in a service charge per occurrence.

Refer to State Rate Pages for NSF fees.

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RULE 5. DEDUCTIBLES

The deductible amount is shown on the Declarations Page; no endorsement is needed.

5.1 Flat Deductibles - All Perils

The policy may be issued with one of the following options at the premium credit or surcharge shown in the State Rate Pages.

Deductible Amounts

<u>Forms 1,2,3</u>	<u>Forms 4&6</u>
\$ 750	\$ 250
1,000	500
1,500	750
2,500	1,000
5,000	1,500
1% of Coverage A	2,500
	5,000

Base deductible - \$750

Base deductible \$250

5.2 Theft Deductible – Forms 4 & 6

When a policy is issued with a \$250 deductible, the deductible amount that applies to theft losses under Coverage C may be increased to \$500. Apply the premium surcharge or credit shown in the State Rate Pages.

RULE 6. PREMIUM MODIFICATIONS

6.1 Modified Replacement Cost - Coverages A and B - Forms 1, 2, 3

The policy may be endorsed to provide replacement cost coverage when the amount of insurance is less than 80% of the replacement value of the dwelling. The premium is developed from the State Rate Pages.

Attach Endorsement HM-256

6.2 Reserved for Future Use

6.3 Woodburning Device Surcharge - All Forms

A surcharge will be applicable if the property has a woodburning device. The surcharge is shown in the State Rate Pages.

6.4 Year of Construction - Forms 1, 2, 3

Factors will apply to the basic policy premium depending upon the age of the dwelling. The age is determined by subtracting the year of construction from the effective date year. Refer to the State Rate Pages for Year of Construction factors.

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6.5 Multi-Line Discount - All Forms

A discount to the basic policy premium will be allowed if the named insured has an auto, life, and/or annuity policy with us. Auto policies written on motorcycles, motorhomes, snowmobiles, utility trailers, recreational trailers, kit cars, antique vehicles, electric cars or golf carts will not qualify the homeowner policy for the discount. The discounts are shown in the State Rate Pages.

6.6 Federal Flood Insurance Program Credit

A discount to the basic policy premium will be allowed if the named insured has a federal flood insurance policy effective 6/1/1999 or later which was placed with us in our flood insurance placement program.

See the State Rate Pages for the amount of the credit.

6.7 Protective Device Credits - All Forms

The premium credits shown in the State Rate Pages may be allowed for the installation of the following approved and properly maintained alarm systems: Central Station Burglary Alarms and Central Station Fire Alarms.

6.8 Home-Buyer Loyalty Credit - Forms 3 & 4

A credit to the basic policy premium will be allowed if the named insured is insured with us under a HM-4 tenant policy and converts to a HM-3 homeowner policy or a HM-4 condominium owner policy without any interruption in coverage. This is a one-time credit for the initial policy term. The credit is shown in the State Rate Pages.

6.9 Roof Surfacing Surcharge - Forms 1, 2, 3

A surcharge will be applicable if the property has a shake shingle type roof. The surcharge is shown on the State Rate Pages.

6.10 Credit Level Rating - Forms 1, 2, 3

All Form 1, 2 and 3 policies are subject to credit level rating. The applicable rating level is determined using the credit score of the primary named insured. Level 7 should be used for applicants or policyholders who will not allow the use of their credit.

Refer to the State Rate Pages for the credit level factors.

6.11 Claim Record/Persistency Rating Plan - All Forms

A factor will apply to the basic policy premium based on the claim record and length of time insured with Horace Mann Insurance Companies.

- A. Consecutive years insured with us
The years insured with us are determined by the number of consecutive years (ending with the current renewal date) the named insured has had our homeowners, tenant or condominium policy covering the primary residence or its contents.

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Reinstatement: if a policy is reinstated, the number of consecutive years with us which applied at the time of cancellation or nonrenewal will be used, provided the policy was reinstated within twelve months. The period of time away from us does not count.

B. Number of qualified paid claims in the last three years

The number of claims is determined by the number of qualified paid claims the policyholder has had in the last three years (ending three months prior to the current renewal effective date). A qualified claim is considered to be any non-weather, non-catastrophe, or non-mine subsidence related claim which results in a paid loss during this three year period. The following are NOT considered qualified claims: losses which only have payments under Medical Payments coverage; losses which occurred prior to the named insured's current tenure with us; or losses for which subrogation payments have been received.

RULE 7. OPTIONAL SECTION I PROPERTY COVERAGES

7.1 Earthquake

Earthquake coverage may be provided at the additional premium shown in the State Rate Pages. The limits for Earthquake coverage are percentages of the current Coverage A amount - 100% of the Coverage A amount for Coverage A losses, 10% for Coverage B losses, 30% for Coverage C losses and 10% for Coverage D losses.

A deductible of 10%, 15% or 25%, subject to a minimum of \$250, will apply separately per occurrence to loss under Coverages A, B and C. There is no deductible for loss under Coverage D. Not all deductibles are available in all counties. See State Rate Pages.

Attach Endorsement CC-P06AR1 (10-96)

7.2 Inflation Guard Coverage

7.2.1 Inflation Protection Coverage - Forms 1, 2, 3

A discount will apply to the basic premium if, at the time the policy is written, the dwelling is insured for 100% of its present replacement cost. This endorsement provides for adjustments in the limits of liability for property coverages to track with our building cost indices. The credit is shown in the State Rate Pages.

Attach Endorsement CC-H06025

7.2.2 Constant Value Coverage - Forms 1, 2, 3

This endorsement provides for adjustments in the limits of liability for property coverages to track with our building cost indices.

Attach Endorsement CC-H06022

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7.2.3 Tenant and Condominium Unit Owners Inflation Protection Coverage - Form 4

This endorsement provides for adjustments in the limits of liability for property coverages to track with our building cost indices.

Attach Endorsement CC-H06023

7.2.4 Inflation Protection Coverage - Forms 1, 2, 3

This endorsement provides for adjustments in the limits of liability for property coverages to track with changes in our building cost indices provided the dwelling is originally insured for more than 80% but less than 100% of its replacement cost.

Attach Endorsement CC-H06024

7.3 Private Structures

7.3.1 Increased Limits - An additional amount of insurance may be written on a specific private structure at the additional premium shown in the State Rate Pages.

Attach Endorsement HM-48

7.3.2 Rented to Others - Coverage may be provided for a private structure on the described premises rented or held for rental to others, used for residential purposes and occupied by no more than two families. The additional premium is shown in the State Rate Pages. Refer to Rule 8.2 for the liability coverage.

Attach Endorsement ML-40

7.3.3 With Incidental Occupancies - Coverage for a private structure on the described premises with an office, professional, private school or studio occupancy may be provided at the additional premium shown in the State Rate Pages for Private Structures Rented to Others. Refer to Rule 8.4 for the liability coverage.

Attach Endorsement ML-42

7.4 Personal Property

7.4.1 Increased Limit - The Coverage C limit of liability may be increased at the additional premium shown in the State Rate Pages.

Show limit on Declarations Page

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7.4.2 Reduced Limit - For one or two family dwellings, the Coverage C limit may be reduced to not less than 40% of the Coverage A limit on Forms 1 and 2 and 50% of the Coverage A limit on Form 3 at the credit shown in the State Rate Pages. This reduction is not permitted on Form 7 or when Endorsement ML-42 is attached.

Show limit on Declarations Page

7.4.3 In Rental Units - Personal property of the insured located in the rental portion of the dwelling or private structure, not occupied by the insured, may be covered at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-152

7.5 Replacement Value - Personal Property - Forms 3, 4

Personal property may be insured for replacement value at the additional charge shown in the State Rate Pages.

Attach Endorsement HM-55

7.6 Motorized Vehicles

The \$2,500 limit for motorized vehicles used to service the insured premises and not licensed for use on public roads may be increased at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-65

7.7 Additional Living Costs and Loss of Rent

Coverage D may be increased at the additional premium shown in the State Rate Pages.

Show limit on Declarations Page

7.8 Tenant's Improvements - Form 4

The 20% of Coverage C limit for improvements on the insured premises may be increased at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-30

7.9 Fire Department Service Charge

The \$500 limit for fire department service charges may be increased at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-30

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7.10 Scheduled Personal Property

7.10.1 Personal Property Coverage

Coverage may be provided for physical loss, with certain exceptions, on scheduled personal property. Refer to the State Rate Pages.

Attach Endorsement HM-61

7.10.2 Personal Articles Coverage

Coverage may be provided for physical loss, with certain exceptions, on scheduled personal articles. Refer to the State Rate Pages.

Attach Endorsement CC-I00012

7.11 Scheduled Glass

Coverage may be provided for specific items of glass. The additional premium is shown in the State Rate Pages.

Attach Endorsement ML-68

7.12 Refrigerated Food Products

Coverage may be provided for loss or damage to food products contained in a freezer or refrigerated unit. The additional premium is shown in the State Rate Pages.

Attach Endorsement ML-155

7.13 Electronic Data Processing Equipment - Increased Limits

The \$3,000 limit on premises (\$2,000 limit on premises of a student away from home) for electronic data processing equipment may be increased. The additional premium is shown in the State Rate Pages.

Attach Endorsement CC-H06030

7.14 Homeowner First Mortgage Disaster Coverage - Forms 1, 2, 3

When coverage is extended to include reimbursement for the actual amount of the insured's monthly mortgage payment, payment will be made for the length of time, in excess of 30 days, that the insured dwelling is uninhabitable, up to 6 payments, subject to the conditions of the endorsement. The additional premium is shown in the State Rate Pages.

Attach Endorsement CL-P06003

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7.15 Additional Coverage Endorsement - Forms 3 & 4

The following limits for the Coverage C, Personal Property, may be increased by the following additional amounts at the additional premium shown in the State Rate Pages.

	<u>Policy Limit</u>	<u>ACE Amount</u>	<u>Total Limit</u>
Money, Bank Notes, etc.	\$ 100	\$ 100	\$ 200
Securities, Commercial Paper, Stamps, etc.	500	500	1,000
Jewelry, Watches, etc.	1,000	1,000	2,000
Silverware, etc.	2,000	1,000	3,000
Guns, etc.	1,000	1,000	2,000
Motorized Vehicles used to service the insured prem.	2,500	1,000	3,500
Refrigerated Products	0	1,000	1,000
Vandalism Deductible	Policy Ded.	50% Reduction	50% of policy ded.

Attach Endorsement CC-H06040

7.16 Homeowners Association Loss Assessment

The policy may be extended to cover loss assessment charged to the insured by the homeowners association as a result of a loss due to a covered peril. The additional premium is shown in the State Rate Pages.

Attach Endorsement ML-50

7.17 Condominium Unit-Owners Supplemental Coverages

7.17.1 Unit-Owners Additions and Alterations

Special Coverage - Coverage may be provided for all direct physical loss unless excluded. The additional premium is shown in the State Rate pages.

Attach Endorsement HM-32

Increased Limit - The 20% of Coverage C limit may be increased at the premium shown in the State Rate Pages.

Show amount of increase on Endorsement HM-31 or HM-32

Earthquake Coverage - Coverage may be added for earthquake loss by using the rates and endorsement for Rule 7.1.

7.17.2 Unit Rental to Others

Personal property of the insured may be covered while the unit is rented to others. The additional premium is shown in the State Rate Pages.

Attach Endorsement ML-33

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7.17.3 Loss Assessment

The policy may be extended to cover loss assessment charged to the insured by the association of condominium unit-owners as a result of loss due to a covered peril. The additional premium is shown in the State Rate Pages.

Attached Endorsement ML-50

7.18 Reserved for Future Use

7.19 Water Damage (Sewers and Drains)

This endorsement provides \$3,000 per occurrence/\$6,000 annual aggregate per policy term for losses due to sewer and drain backup. This rate is shown in the State Rate Pages.

The effective date of this endorsement for in force risks will be 12:01 A.M. local time, on the 30th calendar day after the request for this additional coverage has been received by the company. The effective date for new risks will be the original date coverage is written.

Attach Endorsement HM-208

RULE 8. OPTIONAL SECTION II LIABILITY COVERAGES

All mandatory or optional Liability Coverages must be written at the same limit.

8.1 Additional Residence Premises - Rented to Others

Coverage may be provided for additional one or two family residence premises rented to others, owned by the named insured or spouse, at the additional premium shown in the State Rate Pages.

Attach Endorsement ML-70

8.2 Private Structures - Rented to Others

If coverage is provided under property coverages for private structures rented to others, apply the additional liability premium shown in the State Rate Pages for Additional Residence Premises - Rented to Others. Refer to Rule 7.3.2 for the property coverage.

Attach Endorsement ML-40

8.3 Waterbed Liability - Form 4

Coverage may be provided for the property damage liability of an insured arising out of the ownership or use of a waterbed on the insured premises. The additional premium is shown in the State Rate Pages.

Attach Endorsement ML-209

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8.4 Office, Professional, Private School or Studio Occupancy

Incidental office, professional, private school or studio occupancies are permitted provided:

- the premises are occupied principally for residential purposes; and
- there is no other business conducted on the premises.

Coverage may be provided for liability of an insured arising from:

- An office, professional, private school or studio occupancy in the dwelling or in a separate structure on the premises. The limit for Coverage C must be at least:

Forms 1, 2

60% of Coverage A
or 35% for dwellings
occupied by 3 or 4
families.

Form 3

70% of Coverage A
or 40% for dwellings
occupied by 3 or 4
families.

Refer to Rule 7.3.3 for the property coverage, if applicable.

- Professional instruction given by the insured in the dwelling. The insured employs no assistants and the dwelling has not been altered to accommodate the occupancy.
- An office, professional, private school or studio occupancy in an additional residence premises occupied by the insured, other than the described premises.

The additional premiums are shown in the State Rate Pages.

Attach Endorsement ML-42

8.5 Watercraft

Coverage may be provided for watercraft not covered by the policy at the premiums shown in the State Rate Pages.

- For rating purposes, combine the horsepower of all outboard motors used together with any single watercraft owned by the insured.
- Sailboats 26 to 40 feet inclusive equipped with auxiliary power are classed as inboard motor boats.

Attach Endorsement ML-75

RULE 9. ADDITIONAL AND SECONDARY LOCATIONS

9.1 Secondary Locations

A separate policy may be written to cover secondary locations meeting the requirements of Rule 1. Liability Coverages may be omitted if eligible for credits as described Rule 9.2.

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9.2 Credit for Liability Coverages

Liability Coverages may be omitted from the policy covering the additional or secondary location. The policy must be endorsed or amended to indicate that liability coverage for the additional or secondary location is provided by the homeowner policy covering the primary location. Apply the premium credit for the liability coverages shown in the State Rate Pages.

RULE 10. SPECIAL ENDORSEMENTS

10.1 Survivor's Waiver of Premium - Forms 1, 2, 3

The first renewal premium under the policy may be waived following an accidental death of the named insured or spouse, if a resident of the household at time of death, at no additional cost. The survivor must be a resident of the household at the time the renewal premium is due.

Attach Endorsement CC-P06003

10.2 Additional Benefits Endorsement

This endorsement provides additional coverage for all Homeowner policies. See endorsement for details.

Attach Endorsement CC-H06043 for Forms 1, 2, 3, 4 (condo)

Attach Endorsement CC-H06051 for Form 4 (tenant)

10.3 Identity Fraud Advocacy Services

We will provide the insured with access to an advocate who will provide Identity Fraud Advocacy Services described in this endorsement. Services are subject to the terms of this endorsement and the terms of the homeowner policy to which it is attached, except as amended by this endorsement.

Attach Endorsement HM-686

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6.1 Modified Replacement Cost - Coverages A and B

- (A) Determine the 80% replacement value of dwelling and obtain the premium for that limit from the basic policy premium charts.
- (B) Apply the appropriate credit shown below to the premium developed in (A).

<u>Amount of Insurance As A % of Full Replacement Value</u>	<u>Credit</u>
66-79%	3%
50-65%	8%
Below 50%	13%

Attach HM-256

6.3 Woodburning Device Surcharge

6% - Minimum Charge: \$25.00

6.4 Year of Construction - Forms 1, 2 & 3

<u>Age in Years</u>	<u>Factor</u>	<u>Age in Years</u>	<u>Factor</u>
0 - 1	.80	6	.90
2	.82	7	.95
3	.84	8 - 34	1.00
4	.86	35 - 44	1.05
5	.88	45+	1.10

6.5 Multi-Line Discount - All Forms

A 12 percent discount applies if the policyholder is an educator and has at least one policy with us in two or more of the following lines: Auto, Life, and Annuity.

A 7 percent discount applies if the policyholder is a non-educator and has at least one policy with us in two or more of the following lines: Auto, Life, and Annuity.

A 7 percent discount applies if the policyholder is an educator and has at least one policy with us in only one of the following lines: Auto, Life, or Annuity.

A 5 percent discount applies if the policyholder is a non-educator and has at least one policy with us in only one of the following lines: Auto, Life, or Annuity.

6.6 Federal Flood Insurance Program Credit

A 2% credit applies.

6.7 Protective Device Credits - All Forms

	<u>% of credit</u>
Central Station Fire Alarm Systems	5%
Central Station Burglary Alarm Systems	5%

6.8 Home-Buyer Loyalty Credit - Forms 3 & 4

A 8% credit applies.

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6.9 Roof Surfacing Surcharge

A 10% surcharge applies.

6.10 Credit Level Rating - Forms 1, 2, 3

<u>Level</u>	<u>Factor</u>
1	0.79
2	0.83
3	0.92
4	1.00
5	1.68
6	0.83
7	1.90
8	1.90
9	0.83

6.11 Claim Record/Persistency Rating Plan - All Forms

The basic premium will be adjusted according to the following:

<u>Consecutive years Insured with us</u>	<u>Number of qualified paid claims in the last three years.</u>				
	0	1	2	3	4+
0-2	0%	+5%	+35%	+55%	+85%
3-5	0	+5	+35	+55	+85
6-8	-5	0	+30	+55	+85
9+	-5	0	+20	+55	+85

7.1 Earthquake

		Rates per \$1,000 of Insurance*					
		10% Deductible		15% Deductible		25% Deductible	
		ALL		ALL		ALL	
		FRAME	OTHERS	FRAME	OTHERS	FRAME	OTHERS
ZONE A							
	HM-1,2,3			\$0.45	\$0.90	\$0.32	\$0.64
	HM-4			\$0.27	\$0.27	\$0.19	\$0.19
ZONE B							
	HM-1,2,3	\$0.22	\$0.44	\$0.18	\$0.36	\$0.13	\$0.26
	HM-4	\$0.13	\$0.13	\$0.10	\$0.10	\$0.07	\$0.07

Attach CC-P06AR1

The minimum premium for this endorsement is \$25.00.

* Coverage for masonry veneer is optional - refer to endorsement. If the special exclusion applies, rate as "frame". If not, rate as "all others".

Zone A: Clay, Craighead, Crittenden, Cross, Greene, Lee, Mississippi, Phillips, Poinsett and St. Francis Counties

Zone B: Remainder of State

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HOMEOWNER STATE RATE PAGES**

7.2 Inflation Guard

7.2.1 Inflation Protection Coverage

HM-1,2,3 % of Credit
5%

Attach CC-H06025

Rates Per \$1,000 of Insurance

7.3 Private Structures

7.3.1 Increased Limit \$4.00
Attach HM-48

7.3.2 Rented to Others \$6.00
Attach ML-40

7.4 Personal Property

7.4.1 Increased Limit \$.50

Show Limit on Declarations Page

7.4.2 Reduced Limit \$.50 Credit

Show limit on Declarations Page

7.4.3 In Rental Units \$9.00
Attach ML-152

7.5 Replacement Value - Personal Property

Increase Basic Policy Premium adjusted for any deductible charge or credit, insurance-to-value credit (HM-3), and any increased Coverage C charge (HM-3) by the following percentages:

HM-3	8%	-	Minimum Charge	\$20
HM-4	15%	\$500 deductible or greater	Minimum Charge	\$15
HM-4	35%	Less than \$500 deductible	Minimum Charge	\$20

Attach HM-55

	<u>Amount of Insurance</u>	<u>Rate Per Amount</u>	<u>Max Add'l Amount</u>
7.6 Motorized Vehicles Attach ML-65	\$1,000	\$6.00	None
7.7 Additional Living Costs & Loss of Rent Show Limit on Declarations Page	\$1,000	\$4.00	None
7.8 Tenant's Improvements Attach ML-30	\$1,000	\$4.00	None
7.9 Fire Dept. Service Charge Attach ML-30	\$ 100	\$2.00	\$ 500

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7.10 Scheduled Personal Property

7.10.1 Personal Property Coverage

	<u>Amount of Insurance</u>	<u>Rate Per Amount</u>	<u>Max Add'l Amount</u>
Jewelry			
Pulaski County	\$ 100	\$1.35	None
Remainder of State	100	1.00	None
Furs, etc.	100	.35	None
Cameras - Amateur	100	1.50	None
Musical Instruments - Amateur	100	.75	None
Silverware, Goldware, etc.	100	.20	None
Golfers Equipment	100	1.50	None
Fine Arts	100	.20	None
Stamp Collections	100	.70	None
Coin Collections	100	1.70	None
Bicycles	100	10.00	None

All other categories of personal property to be scheduled, refer to Home Office.

Minimum annual premium - \$25.00

Attach HM-61

7.10.2 Personal Articles Coverage

Sports Cards and Collectors Cards	\$ 100	\$5.00	None
Sports Memorabilia	100	5.00	None
Cellular Phones	100	2.00	None
Personal Computers and Equipment	100	2.00	None
Guns and Gun Equipment	100	2.00	None
Sports Equipment	100	2.00	None
Cameras - Professional	100	2.50	None
Musical Instr. - Professional	100	3.00	None

Minimum annual premium - \$25.00

Attach CC-I00012

7.11 Scheduled Glass	\$ 100	\$2.00	None
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Attach ML-68

7.12 Refrigerated Food Products	\$ 500	\$5.00	\$1,000
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Attach ML-155

7.13 Electronic Data Processing Equipment	\$1,000	\$4.00	\$7,000
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Attach CC-H06030

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7.14 Homeowner First Mortgage Disaster Coverage

<u>Mortgage Payment</u>	<u>Charge</u>
Up to \$500 a month	\$5.00
Each add'l \$250 a month	2.50

Attach CL-P06003

7.15 Additional Coverage Endorsement

<u>Policy Form</u>	<u>Charge</u>
HM-3	\$36.00
**	**
HM-4 (Tenant)	30.00
HM-4 (Condo)	32.00

Attach CC-H06040

7.16 Homeowners Association Loss Assessment Coverage

<u>Limit of Liability</u>	<u>Premium</u>
1st \$ 1,000	\$10.00
Next 4,000	6.00
Next 5,000	4.00
Each Add'l 5,000 (up to \$50,000)	2.00

Attach ML-50

*

7.17 Condominium Unit-Owners Supplemental Coverages

7.17.1 Additions and Alterations

Special Coverage - \$2.00

Attach HM-32

	<u>Rates per \$1,000 of Insurance</u>
Increased Limit - Basic Coverage	\$4.00

Attach HM-31

Increased Limit - Special Coverage	\$6.00
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Attach HM-32

Earthquake Coverage	See rates for Rule 7.1
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Attach ML-54

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7.17.2 Unit Rental to Others

Charge 25% of the Basic Policy premium

Attach ML-33

**** 7.17.3 Loss Assessment Coverages**

<u>Limit of Liability</u>	<u>Premium</u>
1 st \$1,000	\$10
Next 4,000	6
Next 5,000	4
Each Add'l 5,000 (up to \$50,000)	2

Attach ML-50

7.19 Water Damage (Sewers and Drains) \$24

		<u>Limits*</u>					<u>Each Add'l \$500 of Med Payments</u>
		<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	
8.1	Additional Residence Premises Rented to Others						
	1 Family	13	14	15	17	18	1
	2 Family	21	22	23	29	30	1
	Attach ML-70						
8.3	Waterbed Liability	16	18	20	22	24	-
	(does not include Med Payments)						
	Attach ML-209						
8.4	Office, Professional, Private School or Studio Occupancy						
	On Premises	12	16	16	20	20	4
	Instruction Only	2	2	2	4	4	1
	Off Premises	10	12	14	16	18	1

This charge applies for
each such exposure.

Attach ML-42

* Liability/Med Payments

- (1) \$ 25,000/500
- (2) 50,000/500
- (3) 100,000/500
- (4) 200,000/500
- (5) 300,000/500

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		Limits*					Each Add'l \$500 of Med Payments
		(1)	(2)	(3)	(4)	(5)	
8.5 Watercraft(+)							
Each Outboard Motor							
26-50 HP		5	6	7	8	9	2
Over 50 HP		9	11	12	14	16	3
Inboard or Inboard - Outboard Motorboats And Sailboats Under 16 MPH							
Less than 26 Ft.		12	14	16	19	21	2
26 to 40 Ft.		27	32	35	41	47	4
Over 40 Ft.		52	61	68	79	90	6
16-30 MPH							
Less than 26 Ft.		25	30	33	39	44	3
26 to 40 Ft.		42	49	55	64	73	6
Over 40 Ft.		78	92	102	119	135	9
Over 30 MPH							
Less than 26 Ft.		32	38	42	49	56	6
26 to 40 Ft.		78	92	102	119	135	9
Sailboats - No Auxiliary Power							
26 to 40 Ft.		25	30	33	39	44	3

Attach ML-75

(+) Note: Charge Not Applicable if the watercraft is:

1. powered by outboard motor 25 horsepower or less.
2. powered by inboard/outboard or inboard motor 50 horsepower or less.
3. a sailboat 25 feet or less.

* Liability/Med Payments

- (1) \$ 25,000/500
- (2) 50,000/500
- (3) 100,000/500
- (4) 200,000/500
- (5) 300,000/500

9.2 Credit for Liability Coverages
\$10.00

10.3 Identity Fraud Advocacy Services

The endorsement is automatically included if the insured is an educator.

The endorsement charge is \$20 if the insured is a non-educator.

Attach HM-686

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EXCEPTIONS TO GENERAL RULES

RULE 3. ELIGIBILITY

Paragraph C.3. is deleted and replaced by the following:

3. at a separate location when used in connection with the insured location but not for business purposes.

Paragraphs D-1 and D-2 are deleted and replaced by the following:

1. a dwelling eligible under Coverage A; or
2. a dwelling with rental apartments including furnishings, equipment and appliances in hall or utility rooms; or
3. any apartment or condominium unit used as private living quarters of the insured or rented to others furnished.

RESERVED FOR FUTURE USE

RULE 8. CANCELLATIONS OR REDUCTIONS

This rule is deleted and the following substituted:

If insurance is cancelled or reduced at the request of either the insured or the company, the earned premium shall be computed on a pro rata basis.

RULE 9. MANUAL PREMIUM REVISION

This rule deleted and the following substituted:

A manual premium revision, meaning any revision of premium applicable to the Dwelling Program shall be made in accordance with the following procedures:

- a. The effective date of such revision shall be as announced.
- b. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- c. When an existing Dwelling Policy is endorsed to take advantage of a reduction in premium, the adjustment shall be made on a pro rata basis.

- d. The forms and endorsements in effect on the effective date of the revision are to be used with the revised premiums or rates except on existing policies:

1. Reserved for Future Use
2. when the limits of liability are increased.

SUPPLEMENTS TO GENERAL RULES

RESERVED FOR FUTURE USE

DEVIATION FROM BUREAU RATES

The rates in this manual are Bureau rates. The total premium for each policy is to be deviated by – 10%.

FEDERAL FLOOD INSURANCE PROGRAM CREDIT

A discount to the basic policy premium will be allowed if the named insured has a federal flood insurance policy effective 6/1/1999 or later which was placed with us in our flood insurance placement program.

A 2% credit applies.

SPECIAL STATE REQUIREMENTS

SPECIAL PROVISIONS – ENDORSEMENT CP-300

This endorsement shall be attached to all dwelling policies.

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1. TERRITORY DEFINITIONS

A. Cities

City of	County of	Code	County of	Code
Little Rock	Pulaski	30		
No. Little Rock	Pulaski	30	Jackson	33

B. Other Than Cities

County of	Code	County of	Code
Arkansas	33	Jefferson	32
Ashley	33	Johnson	33
Baxter	33	Lafayette	33
Benton	33	Lawrence	33
Boone	33	Lee	33
Bradley	33	Lincoln	33
Calhoun	33	Little River	33
Carroll	33	Logan	33
Chicot	33	Lonoke	33
Clark	33	Madison	33
Clay	33	Marion	33
Cleburne	33	Miller	33
Cleveland	33	Mississippi	33
Columbia	33	Monroe	33
Conway	33	Montgomery	33
Craighead	33	Nevada	33
Crawford	33	Newton	33
Crittendon	33	Ouachita	33
Cross	33	Perry	33
Dallas	33	Phillips	33
Desha	33	Pike	33
Drew	33	Poinsett	33
Faulkner	33	Polk	33
Franklin	33	Pope	33
Fulton	33	Prairie	33
Garland	33	Pulaski	31
Grant	33	Randolph	33
Greene	33	St. Francis	33
Hempstead	33	Saline	33
Hot Spring	33	Scott	33
Howard	33	Searcy	33
Independence	33	Sebastian	33
Izard	33	Sevier	33
		Sharp	33
		Stone	33
		Union	33
		Van Buren	33
		Washington	33
		White	33
		Woodruff	33
		Yell	33

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2. PROTECTION CLASSIFICATION CODES AND INFORMATION

A. Reserved For Future Use

B. Protection Information

The protection class listing in the Public Protection Classifications section of the Property Manual also applies to risks insured under Dwelling Fire policies.

1. In a municipality or classified area where a single class of fire protection is available throughout (8, 7, 6, etc.) use the protection class indicated.
2. In a municipality or classified area where two fire protection classes are shown (example 6/9), properties within 5 road miles of the responding Fire Department and 1000 feet of a fire hydrant take the first class shown.

Properties within 5 road miles of a responding Fire Department but beyond 1000 feet of a fire hydrant take the second class shown.
3. All other properties are Class 10.

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1. CONSTRUCTION DEFINITIONS

- A. Frame** – exterior wall of wood or other combustible construction, including wood-iron clad, stucco on wood or plaster on combustible supports.

Aluminum or plastic siding over frame.

- B. Masonry Veneer** – exterior walls of combustible construction veneered with brick or stone.

- C. Masonry** – exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roof of combustible construction (Disregarding floors resting directly on the ground).

D. Superior Construction

1. Non-Combustible – exterior walls and floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.
2. Masonry Non-Combustible – exterior walls constructed of masonry materials (as described in C. above) and floors and roof of metal or other non-combustible materials.
3. Fire Resistive – exterior walls and floors and roof constructed of masonry or other fire resistive materials.

NOTE: Mixed (Masonry/Frame) – a combination of both frame and masonry construction shall be classed and coded as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise class and code as masonry.

2. SEASONAL DWELLING DEFINITION

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period

3. SINGLE BUILDING DEFINITION

All buildings or sections of buildings which communicate through unprotected openings shall be considered as a single building.

Buildings which are separated by space shall be considered separate buildings.

Buildings or sections of buildings which are separated by an 8 inch masonry party wall which pierces or rises to the underside of the roof and which pierces or extends to the innerside of the exterior wall shall be considered separate buildings. Communication between buildings with independent walls or through masonry party walls described above shall be protected by at least a Class A Fire Door installed in a masonry wall section.

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PREMIUM SECTION

THE PREMIUM SECTION OF THIS MANUAL IS DIVIDED INTO FOUR PARTS:

PART I : BASE PREMIUM COMPUTATION – Consists of:

- Computation Instructions
- Key Premium/Key Factor display for Fire, Extended Coverage (DP-1), Broad Form (DP-2) and Special Form (DP-3)
- Vandalism and Malicious Mischief rates for \$1000
- Contingent Liability – Building Ordinance or Law Coverage Endorsement HO-277

PART II: ADJUSTED BASE PREMIUM COMPUTATION –

Consists of Rating Rules with premium adjustment factors that are applied to the Base Premium.

PART III: ADDITIONAL OR REDUCED PREMIUM COMPUTATION –

Consists of Rating Rules for increased limits and additional coverages not included in Parts I and II above.

PART IV: OTHER RATING PROVISIONS – Consists of other

premium related instructions.

PART I – BASE PREMIUM COMPUTATION

1. COMPUTATION INSTRUCTIONS

A. FIRE – DP-1, DP-2, and DP-3

Coverage A – Dwelling

Coverage C – Personal Property

1. From the Key Premium Chart, select the Key Premium that applies for:
 - a. Owner or Non-Owner Occupied
 - b. Seasonal or Non-seasonal
 - c. Territory
 - d. Protection Class
 - e. Masonry or Frame Construction
 - f. Number of Families
 - g. Coverage A or C
2. Using the Key Factor Chart on the same page, determine the Key Factor for the desired limit of liability. If the limit of liability is shown in the chart, select the Key Factor for that limit.

If the desired limit of liability is not shown in the chart, use one of the following calculations.

- a. If the desired limit of liability is **less** than the highest limit shown, **interpolate** Key Factors shown for the nearest limit above and below the desired limit.

Example: \$25,500 policy limit, nearest limits are \$25,000 and \$26,000.

STEPS	PROCEDURE	EXAMPLE																						
1.	Find the Key Factors for the limits noted above.	<table><tr><th>Limits</th><th>Factors</th></tr><tr><td>\$26,000</td><td>1.33 - higher limit</td></tr><tr><td>25,000</td><td>1.30 - smaller limit</td></tr></table>	Limits	Factors	\$26,000	1.33 - higher limit	25,000	1.30 - smaller limit																
Limits	Factors																							
\$26,000	1.33 - higher limit																							
25,000	1.30 - smaller limit																							
2.	Subtract the smaller limit from the desired limit. This is the additional amount.	<table><tr><td>\$ 25,500 - desired limit</td></tr><tr><td>- 25,000 - smaller limit</td></tr><tr><td>\$ 500 - add'l amount</td></tr></table>	\$ 25,500 - desired limit	- 25,000 - smaller limit	\$ 500 - add'l amount																			
\$ 25,500 - desired limit																								
- 25,000 - smaller limit																								
\$ 500 - add'l amount																								
3.	Subtract the smaller limit from the higher limit. This is the amount of difference.	<table><tr><td>\$ 26,000 - higher limit</td></tr><tr><td>- 25,000 - smaller limit</td></tr><tr><td>\$ 1,000 - amt. difference</td></tr></table>	\$ 26,000 - higher limit	- 25,000 - smaller limit	\$ 1,000 - amt. difference																			
\$ 26,000 - higher limit																								
- 25,000 - smaller limit																								
\$ 1,000 - amt. difference																								
4.	Subtract the Key Factor for the smaller limit from the Key Factor for the higher limit. This is the Factor difference.	<table><tr><td>1.33 - higher limit Factor</td></tr><tr><td>- 1.30 - smaller limit Factor</td></tr><tr><td>.03 - Factor difference</td></tr></table>	1.33 - higher limit Factor	- 1.30 - smaller limit Factor	.03 - Factor difference																			
1.33 - higher limit Factor																								
- 1.30 - smaller limit Factor																								
.03 - Factor difference																								
5.	Determine the Factor for the additional amount by the following formula: <table><tr><td><u>add'l amt.</u></td><td>x</td><td>Factor diff.</td><td>=</td><td>Factor for</td></tr><tr><td>amt. difference</td><td></td><td></td><td></td><td>add'l amt.</td></tr></table>	<u>add'l amt.</u>	x	Factor diff.	=	Factor for	amt. difference				add'l amt.	<table><tr><td><u>\$ 500</u></td><td>x</td><td>.03</td><td>=</td><td>.015 (.02)</td><td>Key Factor for</td></tr><tr><td>\$ 1,000</td><td></td><td></td><td></td><td></td><td>add'l amount</td></tr></table>	<u>\$ 500</u>	x	.03	=	.015 (.02)	Key Factor for	\$ 1,000					add'l amount
<u>add'l amt.</u>	x	Factor diff.	=	Factor for																				
amt. difference				add'l amt.																				
<u>\$ 500</u>	x	.03	=	.015 (.02)	Key Factor for																			
\$ 1,000					add'l amount																			
6.	Add the Factor for the additional amount to the Factor for the smaller limit to obtain the Key Factor for the desired limit.	<table><tr><td>1.30 - smaller limit Factor</td></tr><tr><td>+ .02 - add'l amount Factor</td></tr><tr><td>1.32 - Key Factor for</td></tr><tr><td>desired limit</td></tr></table>	1.30 - smaller limit Factor	+ .02 - add'l amount Factor	1.32 - Key Factor for	desired limit																		
1.30 - smaller limit Factor																								
+ .02 - add'l amount Factor																								
1.32 - Key Factor for																								
desired limit																								

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PREMIUM SECTION

- b. If the desired limit of liability is **more** than the highest limit shown, determine the Key Factor for the desired limit as follows:

Example: \$56,400 policy limit.

STEPS	PROCEDURE	EXAMPLE
1.	Find the Key Factors for the highest limit and for each additional \$10,000.	2.05 - Factor for highest limit shown .30 - Factor for Ea. Add'l \$10,000
2.	Subtract the highest limit from the desired limit. This is the additional amount.	\$56,400 - desired limit - 50,000 - highest limit shown \$ 6,400 - add'l amount
3.	Determine the Factor for the additional amount by the following formula: $\frac{\text{add'l amt.}}{\$10,000} \times \text{Ea. Add'l } \$10,000 \text{ Factor} = \text{Factor for add'l amt.}$	$\frac{\$ 6,400}{\$ 10,000} \times .30 = .192(.19) \text{ Key Factor for add'l amount}$
4.	Add the Factors for the highest limit and additional amount to obtain the Key Factor for the desired limit.	2.05 - Factor for highest limit shown + .19 - Factor for add'l amount 2.24 - Key Factor for desired limit

3. Multiply the KEY PREMIUM by the KEY FACTOR and round to the nearest whole dollar to develop the BASE PREMIUM (\$0.50 or more rounded to the next higher whole dollar).

- B. E.C., BROAD OR SPECIAL FORM – DP-1, DP-2 or DP-3

Develop the BASE PREMIUM as described in 1.A. above.

- C. ADDITIONAL COVERAGE C ITEMS

When more than one Cov. C item in a policy applies to the premises of the insured, the premium for each additional Cov. C item shall be developed as noted below:

Cov. C. Key Premium times .13 Fire
.17 E.C. etc.
equal premium per \$1,000

- D. When Contingent Liability (Building Ordinance or Law Coverage Endorsement HO-277) applies, develop the BASE PREMIUM in accordance with the instructions provided in the rating rules shown in this section of the manual.

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2. KEY PREMIUM/KEY FACTOR DISPLAY

A. FIRE

DP-1 DP-2 DP-3

COVERAGE A – DWELLING

COVERAGE C – PERONAL PROPERTY

KEY PREMIUMS

OWNER-OCCUPIED

Non-Seasonal

& Seasonal

TERRITORY – ALL			Number of Families					
Prot. Class Φ	Const. *	Prem. Group No.	1		2		3 or 4	
			Cov.		Cov.		Cov.	
			A	C	A	C	A	C
1-3	M	1	54	24	59	24	86	31
	F	9	75	31	83	31	120	41
4	M	2	64	25	70	25	103	33
	F	10	84	34	93	34	134	44
5	M	3	75	28	83	28	120	36
	F	11	94	35	104	35	150	45
6	M	4	94	31	104	31	150	41
	F	12	111	40	123	40	178	53
7	M	5	144	43	159	43	230	55
	F	13	161	50	178	50	258	65
8	M	6	164	45	180	45	263	59
	F	14	203	59	223	59	324	76
9	M	7	185	53	204	53	296	69
	F	15	293	78	321	78	468	101
10	M	8	254	68	279	68	406	88
	F	16	384	96	423	96	614	125

Φ Refer to Protection Classification Codes and Information section of this manual.

* M = Masonry, F = Frame

Masonry Veneer is rated as masonry.

Aluminum of plastic siding over frame is rated as frame.

▲ Use this limit of liability to develop premiums for policy amounts less than \$1,000.

KEY FACTORS

Limit of Liability	Cov. A	Cov. C
\$1,000 ▲	.40	.35
2,000	.45	.48
3,000	.50	.61
4,000	.55	.74
5,000	.60	.87
6,000	.65	1.00
7,000	.70	1.13
8,000	.75	1.26
9,000	.80	1.39
10,000	.85	1.52
11,000	.88	1.65
12,000	.91	1.78
13,000	.94	1.91
14,000	.97	2.04
15,000	1.00	2.17
16,000	1.03	2.30
17,000	1.06	2.43
18,000	1.09	2.56
19,000	1.12	2.69
20,000	1.15	2.82
21,000	1.18	2.95
22,000	1.21	3.08
23,000	1.24	3.21
24,000	1.27	3.34
25,000	1.30	3.47
26,000	1.33	3.60
27,000	1.36	3.73
28,000	1.39	3.86
29,000	1.42	3.99
30,000	1.45	4.12
31,000	1.48	4.25
32,000	1.51	4.38
33,000	1.54	4.51
34,000	1.57	4.64
35,000	1.60	4.77
36,000	1.63	4.90
37,000	1.66	5.03
38,000	1.69	5.16
39,000	1.72	5.29
40,000	1.75	5.42
41,000	1.78	5.55
42,000	1.81	5.68
43,000	1.84	5.81
44,000	1.87	5.94
45,000	1.90	6.07
46,000	1.93	6.20
47,000	1.96	6.33
48,000	1.99	6.46
49,000	2.02	6.59
50,000	2.05	6.72
Each Add'l \$10,000	.30	1.30

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2. KEY PREMIUM/KEY FACTOR DISPLAY

A. FIRE

DP-1 DP-2 DP-3

COVERAGE A – DWELLING

COVERAGE C – PERSONAL PROPERTY

KEY PREMIUMS

NON-OWNER-OCCUPIED

Non-Seasonal			& Seasonal					
TERRITORY – ALL			Number of Families					
Prot. Class Φ	Const. *	Prem. Group No.	1		2		3 or 4	
			Cov.		Cov.		Cov.	
			A	C	A	C	A	C
1-3	M	1	68	24	74	24	108	31
	F	9	94	31	104	31	150	41
4	M	2	80	25	88	25	128	33
	F	10	105	34	115	34	168	44
5	M	3	94	28	104	28	150	36
	F	11	118	35	129	35	188	45
6	M	4	118	31	129	31	188	41
	F	12	139	40	153	40	223	53
7	M	5	180	43	198	43	288	55
	F	13	201	50	221	50	323	65
8	M	6	205	45	225	45	328	59
	F	14	254	59	279	59	406	76
9	M	7	231	53	255	53	370	69
	F	15	366	78	403	78	586	101
10	M	8	318	68	349	68	508	88
	F	16	480	96	528	96	768	125

Φ Refer to Protection Classification Codes and Information section of this manual.

* M = Masonry, F = Frame

Masonry Veneer is rated as masonry.

Aluminum of plastic siding over frame is rated as frame.

▲ Use this limit of liability to develop premiums for policy amounts less than \$1,000.

KEY FACTORS

Limit of Liability	Cov. A	Cov. C
\$1,000 ▲	.40	.35
2,000	.45	.48
3,000	.50	.61
4,000	.55	.74
5,000	.60	.87
6,000	.65	1.00
7,000	.70	1.13
8,000	.75	1.26
9,000	.80	1.39
10,000	.85	1.52
11,000	.88	1.65
12,000	.91	1.78
13,000	.94	1.91
14,000	.97	2.04
15,000	1.00	2.17
16,000	1.03	2.30
17,000	1.06	2.43
18,000	1.09	2.56
19,000	1.12	2.69
20,000	1.15	2.82
21,000	1.18	2.95
22,000	1.21	3.08
23,000	1.24	3.21
24,000	1.27	3.34
25,000	1.30	3.47
26,000	1.33	3.60
27,000	1.36	3.73
28,000	1.39	3.86
29,000	1.42	3.99
30,000	1.45	4.12
31,000	1.48	4.25
32,000	1.51	4.38
33,000	1.54	4.51
34,000	1.57	4.64
35,000	1.60	4.77
36,000	1.63	4.90
37,000	1.66	5.03
38,000	1.69	5.16
39,000	1.72	5.29
40,000	1.75	5.42
41,000	1.78	5.55
42,000	1.81	5.68
43,000	1.84	5.81
44,000	1.87	5.94
45,000	1.90	6.07
46,000	1.93	6.20
47,000	1.96	6.33
48,000	1.99	6.46
49,000	2.02	6.59
50,000	2.05	6.72
Each Add'l \$10,000	.30	1.30

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2. KEY PREMIUM/KEY FACTOR DISPLAY

**B. EXTENDED COVERAGE DP-1
BROAD OR SPECIAL FORM DP-2 or DP-3**

**COVERAGE A – DWELLING
COVERAGE C – PERSONAL PROPERTY**

KEY PREMIUMS *

Territory	Prem. Gp No.	COVERAGE A			COVERAGE C	
		DP-1	DP-2	DP-3	DP-1	DP-2 or 3
ALL	1	51	61	66	6	8

***Rating Notes**

- DP-1 Key Premiums are Non-Seasonal and Seasonal.
- DP-2 and 3 Key Premiums are Non-Seasonal only and include the charge for E.C. and V.&M.M. perils. To develop the Seasonal BASE PREMIUM, multiply the following factors by the DP-1 E.C. BASE Premium:

	<u>DP-2</u>	<u>DP-3</u>
Cov. A	1.40	1.50
Cov C	1.55	1.55

- The Cov. C. minimum limit is \$4,000 unless included in the same policy Cov. A.

▲ Use this limit of liability to develop premiums for policy amounts less than \$1,000.

KEY FACTORS

Limit of Liability	Cov. A	Cov. C
\$1,000 ▲	.24	.17
2,000	.29	.33
3,000	.34	.50
4,000	.40	.67
5,000	.45	.83
6,000	.51	1.00
7,000	.56	1.17
8,000	.62	1.34
9,000	.67	1.50
10,000	.72	1.67
11,000	.78	1.84
12,000	.83	2.00
13,000	.89	2.17
14,000	.94	2.33
15,000	1.00	2.50
16,000	1.05	2.67
17,000	1.10	2.84
18,000	1.16	3.00
19,000	1.21	3.17
20,000	1.27	3.34
21,000	1.32	3.51
22,000	1.37	3.67
23,000	1.43	3.84
24,000	1.48	4.00
25,000	1.54	4.17
26,000	1.59	4.34
27,000	1.64	4.51
28,000	1.69	4.68
29,000	1.74	4.85
30,000	1.79	5.02
31,000	1.84	5.19
32,000	1.89	5.36
33,000	1.94	5.53
34,000	1.99	5.70
35,000	2.04	5.87
36,000	2.09	6.04
37,000	2.14	6.21
38,000	2.19	6.38
39,000	2.24	6.55
40,000	2.29	6.72
41,000	2.34	6.89
42,000	2.39	7.06
43,000	2.44	7.23
44,000	2.49	7.40
45,000	2.54	7.57
46,000	2.59	7.74
47,000	2.64	7.91
48,000	2.69	8.08
49,000	2.74	8.25
50,000	2.79	8.42
Each Add'l \$10,000	.50	1.70

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3. RESERVED FOR FUTURE USE

5. CONTINGENT LIABILITY – DP-1, 2 or 3

The policy may be endorsed to provide coverage for contingent liability due to the operation of building laws.

To develop the BASE PREMIUM:

4. VANDALISM & MALICIOUS MISCHIEF – DP-1

Premium per \$1,000

Not Seasonal & Not <u>Vacant</u>	Seasonal & <u>Not Vacant</u>	<u>Vacant</u>	In Course of <u>Construction</u>
\$.12	\$.60	\$9.80	\$.12

1. Multiply the factor 1.20 by the premium computed in 2. below.
2. Coverage A Key Premium times the Key Factor for the Coverage A amount of insurance that is equal to at least 80% of the sum of:
 - a. the full replacement cost of the dwelling; and if desired,
 - b. the amount of insurance necessary to cover the cost of increased construction and demolition.

Use HO-277 Building Ordinance or Law Coverage.

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PART II – ADJUSTED BASE PREMIUM COMPUTATION

1. RESERVED FOR FUTURE USE

4. RESERVED FOR FUTURE USE

2. TOWNHOUSE OR ROW HOUSE – ALL FORMS

Determine the total number of individual family units within a Fire Division. For example, a 2 family dwelling attached to a 1 family dwelling are considered 3 individual family units within a Fire Division if both dwellings are not separated by a fire wall. Four attached 2 family dwellings are considered 8 individual family units within a Fire Division if they are not separated by fire walls.

A Dwelling Policy may be issued for:

Coverage A when the dwelling contains 1, 2, 3 or 4 individual family units within a Fire Division.

Coverage C in a dwelling with 1 or more individual family units within a Fire Division.

Premium:

No. of Indiv. Family Units	Use Cov. A or C BASE PREMIUM for
1, 2, 3 or 4	1, 2, 3 or 4 families

3. SUPERIOR CONSTRUCTION – ALL FORMS

Refer to the Construction Definition page in this manual for details.

For E.C. rating purposes a dwelling classified as:

- Fire Resistive is considered Wind Resistive
- Masonry Non-Combustible is considered Semi-Wind Resistive

Premium:

Multiply the Masonry BASE PREMIUM by the appropriate factor noted below:

	Fire	E.C., Broad & Special Forms
Fire Resistive & Masonry Non-Comb.	.50	.50
Non-Combustible	.50	1.00

5. DEDUCTIBLES – ALL FORMS

All Dwelling Policies are subject to a deductible that applies to loss from all perils covered under the policy on an occurrence basis.

Enter the deductible amount selected in the Deductible Declarations of the policy.

When a separate deductible amount applies to a certain peril such as Windstorm or Hail, also enter that deductible amount and peril in the Deductible Declarations.

A. \$100 Deductible

This is the Base Deductible amount.

B. \$250 Deductible

\$500 Deductible

\$1000 Deductible

\$2500 Deductible

Multiply the BASE PREMIUM by the following factors:

	Fire	E.C., V.&M.M. and Broad & Special Forms
\$250	.97	.85
\$500	.95	.75
\$1,000	.93	.60
\$2,500	.86	.50

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6. AUTOMATIC INCREASE IN INSURANCE – DP-1, 2 or 3

8. RESERVED FOR FUTURE USE

Coverage may be provided for adjustments in the limit of liability for property coverages to track with the building cost indices. The dwelling shall be insured to at least 100% of the market value.

Use CC-HO6022

7. DWELLING UNDER CONSTRUCTION – ALL FORMS

Two methods are provided for insuring this exposure.

A. Named Insured Is The Intended Occupant

A builder (contractor) may be designated as an additional insured. Pro rata cancellation permitted upon completion of the dwelling.

Use DP 00 43

B. Named Insured Is Not Intended Occupant

Policy shall specify building is in course of construction and permission is granted to complete.

Premium:

- A. Coverage A Owner Occupied BASE PREMIUM times .65
- B. Coverage A Non-Owner Occupied BASE PREMIUM times 1.00

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PART III – ADDITIONAL OR REDUCED PREMIUM COMPUTATION

1. COVERAGE B – OTHER STRUCTURES – ALL FORMS

Coverage is provided in the forms on a blanket basis as noted in **A.** below.

Coverage may be provided for specific structures as a specific item for an additional premium. See **B.** below.

Windstorm or Hail coverage for Awnings, Signs and Outdoor Radio and Television Equipment is not provided in the forms. It may be provided for an additional premium. See **C.** below.

A. Blanket Coverage

DP-1 – Up to 10% of Cov. A limit is available. Use of this option, however, reduces the Cov. A limit for the same loss.

DP-2 or DP-3 – Up to 10% of the Cov. A limit is available as additional insurance. The Cov. A limit is not reduced by use of this option.

The blanket limit may not be increased.

B. Specific Structure Coverage

Enter the limit of liability and description of each structure in the Coverage Declarations of the policy at inception or by DP 00 10 General Endorsement or its equivalent after policy inception.

Premium:

1. Policy includes Cov. A

- **Fire, E.C., Broad and Special Forms**

Cov. A., 1 Family Key Premium (same territory, protection & construction as the dwelling) times
DP-1, 2 or 3

Fire .03

E.C., etc. .05

equals Cov. B premium per \$1,000

- **V.&M.M. (DP-1)**

Use V.&M.M. premium per \$1,000

2. Policy does not include Cov. A or Structure has permitted business occupancy or Structure is not at same described location as the dwelling.

- **Fire, E.C., Broad and Special Forms**

Cov. A., 1 Family Key Premium (for territory, protection & construction applying to structure)
times Cov. A Key Factor for limit applying to each structure **equals** premium for the structure.

- **V.&M.M. (DP-1)**

Use V.&M.M. premium per \$1,000

C. Windstorm or Hail – Awnings, Signs, Outdoor Radio and Television Equipment

Premium: \$50.00 per \$1,000

Use DP 00 19

- D. Structures Rented to Others** for dwelling purposes are covered and rated as separate Coverage A – Dwellings (Non-Owner Occupied).

**2. COVERAGE D – FAIR RENTAL VALUE
COVERAGE E – ADDITIONAL LIVING EXPENSE
ALL FORMS**

- A.** Coverage is provided in the forms on a limited basis as follows:

DP-1

Coverage D – up to 10% of the Cov. A limit is available. Use of this option reduces the Cov. A limit for the same loss.

Coverage E – not automatically included in form. It may be provided as noted in **B.** below.

DP-2 or 3

10% of the Cov. A limit for Cov. D and Cov. E combined is available as additional insurance. The Cov. A limit is not reduced for the same loss.

- B.** Coverage may be increased or added as follows:
ALL FORMS

Coverage D – enter amount added, in policy declarations at inception or in DP 00 10 – General End. after inception.

Show a monthly limitation equal to the fraction of:

$$\frac{1}{\text{\# of mos. dwelling rented per year}}$$

in the policy, change endorsement or declarations.

Coverage E – enter initial limit (DP-1) or added amount (DP-2 or 3), in policy declarations at inception or in DP 00 10 – General End. after inception.

Always show “up to 25% per month” in the policy or end. declarations.

Use DP 00 14 for DP-1

- C.** Premium:

1. Policy includes Cov. A or Cov. C (1-4 family dwg.)

a. Fire, E.C., Broad and Special Forms

Cov. A Key Premium times

DP-1, 2 or 3

Fire .03

E.C., etc. .05

equals premium per \$1,000

b. V.&M.M. (DP-1)

Use V.&M.M. premium per \$1,000

2. Policy does not include Cov. A or Cov. C (1-4 family dwg.)

a. Fire, E.C., Broad and Special Forms

Cov. A Key Premium times the Cov. A Key Factor

- for the Cov. D limit times .53 or

- for the Cov. E limit times 1.00

equals premium for this coverage

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b. V.&M.M. (DP-1)

Use V.&M.M. premium per \$1,000.

3. Reserved for Future Use

6. FIRE DEPARTMENT SERVICE CHARGE – DP-1, 2 or 3

Coverage is available as an option.

Premium: \$2.00 per \$100

Use DP 00 12

7. RESERVED FOR FUTURE USE

3. IMPROVEMENTS, ALTERATIONS AND ADDITIONS

A. Tenant – Coverage is provided in the forms as follows:

DP-1 – Up to 10% of the Cov. C limit is available. Use of this option, however, reduces the Coverage C limit for the same loss.

DP-2 or DP-3 – 10% of the Coverage C is available as additional insurance. The Cov. C limit is not reduced by use of this option.

B. Condominium Unit-Owner – Coverage is not provided in the forms.

C. Use Endorsement DP 00 31 to increase the limit for a tenant or provide coverage for a condominium unit-owner.

D. Premium:

**Fire, E.C.,
Broad and Special Forms**

**V.&M.M.
(DP-1)**

Cov. C. Key Premium
times .13 Fire
.17 E.C., etc.
equals premium per \$1,000

Use V.&M.M.
premium
per \$1,000

4. RESERVED FOR FUTURE USE

5. RESERVED FOR FUTURE USE

8. PLANTS, SHRUBS AND TREES – DP-1, 2 or 3

DP-1 – Coverage is not provided in this form. It is available for an additional premium as noted in **A.**, **B.** and **C.** below.

Use DP 00 17

DP-2 or 3 – Up to 5% of the Cov. A limit is available (subject to a \$250 per item maximum) for all insured perils except Windstorm or Hail.

Coverage for Windstorm or Hail is available for an additional premium as noted in **C.** below.

Use DP 00 18 Windstorm or Hail

Premium:

A. Fire, E.C., (except Windstorm or Hail) – DP-1 only.

Cov. A Key Premium times .03 Fire
.05 E.C.
equals premium per \$1,000

B. V.&M.M. – DP-1 only

Use V.&M.M. premium per \$1,000

C. Windstorm or Hail – DP-1, 2 or 3

DP-1 \$50.00 per \$1,000 times limit selected

DP-2 \$50.00 per \$1,000 times an amount

DP-3 equal to 5% of the Cov. A limit

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9. EARTHQUAKE AND VOLCANIC ERUPTION - DP-1, 2 or 3

Rates per \$1,000 of Insurance

- A.** When added to the Fire Policy, this peril shall apply to the same coverages that apply to the peril of Fire. Coverage is provided on a percentage basis; that is, the coverage will be a percentage of the current Coverages A amount - 100% of the Coverage A amount for Coverage A losses, 10% for Coverage B losses, 30% for Coverage C losses, 10% for Coverage D losses and 10% for Coverage E losses.

A deductible of 10%, 15% or 25% of the policy limit, subject to a \$250 minimum, will apply separately per occurrence to loss under Coverage A, B and C. There is no deductible for loss under Coverage D or E. Not all deductibles are available in all counties. See State Rate Pages.

Attach Endorsement CC-F06AR1(10-96)

A deductible of 2% of the policy limit, subject to a \$250 minimum, applies. For other deductibles, refer to Company.

Premium:

Develop the premium as follows:

- (a) Determine the Earthquake Zone
- (b) Select the rate(s) per \$1,000 according to construction
- (c) Apply the rate(s) to the amount of insurance for Coverage A

ZONE A

	10% Ded.	15% Ded.	25% Ded.
FRAME	\$0.45	\$0.32	
ALL OTHER	\$0.90	\$0.64	

ZONE B

	10% Ded.	15% Ded.	25% Ded.
FRAME	\$0.22	\$0.18	\$0.13
ALL OTHER	\$0.44	\$0.36	\$0.26

10. CONDITIONS CHARGES

Apply when building or addition has metal stovepipes, plain tile, terra cotta, brick-on-edge, concrete or concrete block blue less than 4 inches in thickness, through combustible floors, ceilings, partitions, windows, roof or side of building.

Premium:

The sum of:

- A.** The Fire BASE PREMIUM for each Dwelling building or addition, plus
- B.** \$2.40 per \$1,000 of insurance.

NOTE 1: No change should be made for type "B" vent pipes from domestic appliances using artificial or natural gas or for flues or vent pipes described above from domestic type gas-burning appliances with approved down-draft diverters.

NOTE 2: A type "B" vent is one listed by Underwriters' Laboratories as approved with domestic type appliances.

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PART IV – OTHER RATING PROVISIONS

1. MINIMUM PREMIUM

- A.** Prepaid Policies: A minimum of not less than \$50 must be charged for each policy.
- B.** Reserved For Future Use
- C.** The \$50 minimum premium may include all chargeable endorsements or coverages for Fire and Allied Lines if attached at inception of the policy. When such endorsement or coverages are attached after inception of the policy, the charge for each shall apply in accordance with the minimum premium rule for the endorsement.

2. RESERVED FOR FUTURE USE

3. MULTIPLE POLICIES

- A.** Insurance may be provided on the same property under two or more Dwelling policies in one or more companies as follows:
 - 1. the same Dwelling Form and Endorsement must apply to all policies.
 - 2. the same deductible amount must apply to all policies.

Use DP 00 30 Premium Sharing – Two or More Policies

B. PREMIUM

The premium for each policy is developed as follows:

- 1. Compute the premium for the total limits of liability from the manual of the company issuing each policy.
- 2. Allocate the premium determined in B.1. above based on the ratio of each policy's limit of liability to the total limits of liability for all policies.

Example (two policies – two companies)

\$50,000 Coverage A Limit (Premium shown are for illustration only and are not actual premiums.)

Each Company's:		
Percentage Share	Company A	Company B
	80%	20%
Premium for \$50,000 Cov. A	\$240	\$200
Each Company's Policy Premium	\$192 (80% of \$240)	\$40 (20% of \$200)
Total Policy Premium	\$232 (\$192 + \$40)	

4. WAIVER OF PREMIUM

When a policy is endorsed subsequent to the inception date, any additional or return premium of \$3.00 or less may be waived, except that a return premium of less than \$3.00 shall be returned to the insured upon request.

5. RESERVED FOR FUTURE USE

6. WHOLE DOLLAR PREMIUM RULE

All premiums shown on the policy and endorsement shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

7. NON-SUFFICIENT FUNDS FEE

\$25 per occurrence